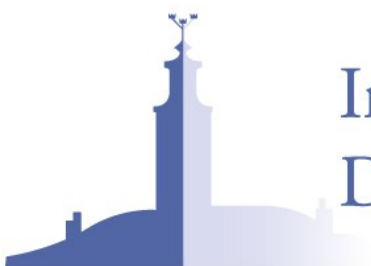


To Manage Conflict in South Asia: China's Stakes, Perceptions and Inputs

Zhang Li

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Conflict Prevention and China's Security Interests: An Analytical Overview

China and Conflict Management: Patterns and Features

For Chinese researchers of international relations, to see a security challenge through the lens of conflict prevention and management represents a relatively fresh exploration that has begun to receive increasing attention over the past decade. This corresponds with the post-Cold War reorganization of the global strategic order. It is also recognized as an expected result of China's enhanced national strength and profile. The increased emphasis of the "new vision of security" and "peaceful ascendance" in recent years has furthered China's realization of the necessity to embrace the practice of conflict management and resolution at regional and global levels. In contrast with the traditional Chinese way of perceiving the origins, nature and solutions to war and inter-state conflict, the endorsement of the idea of conflict management marks a central change in strategic paradigm and a visible departure from preceding patterns. This is defined by the ideologically oriented vision of detached pacifist diplomacy, peaceful co-existence, and non-intervention.

A palpable indication of this renewed vision of tackling regional and global conflicts is that China has learned to see conflict prevention and management as a credible and helpful instrument to envisage threats and challenges and to promote its own national interests. China has attempted to take this approach in dealing with perceived external conflicts and emergencies. Given their experience in the geo-political context, some tentative cases can be identified in seeking to understand China's search for its role – the nuclear-centered crisis in the Korean Peninsula, the Palestine–Israel conflict and the Middle East, the Darfur crisis in Sudan and the protracted conflicts and rivalries in South Asia. The latter being the focus of this paper.

For the convenience of analysis, it is helpful to make a brief comparison of the cases mentioned here in terms of the perceived issues and the level of relevance to China's major interests. These perceived issues have basically

defined the pattern and the degree of China's reaction and the policy options available.

- North Korea and the denuclearization of the Peninsula: China sees it as one of its core security interests and fully pursues a mediatory role by brokering the six-party negotiations and maintaining more room to maneuver. In this regard, Beijing also finds itself kept in a double-bind/double commitment but has been tempted by a possible success following dialogue promised by the existing multiparty regime.
- The Middle East: China has an evolving opinion of its specified interests in this region but lacks the adequate and well-built capacity to secure favorable consequences. Balancing its merits and constraints, Beijing chooses tentative involvement through multilateral regimes and cooperating with other powers to amplify its clout and efforts.
- The Darfur crisis and Africa: The identified benefits for China are primarily based on the energy factor and geopolitical considerations. Beijing's policy toward this region marks a perceived shift from conventional non-interference to a calibrated level of involvement; and it becomes increasingly responsive and proactive in selectively participating in the authorized multilateral operations (e.g. UN–African Union peacekeeping mission). Beijing's elastic agenda is expected to create mixed effects of pragmatic gains and diplomatic risks.
- South Asia: China is strongly convinced of the growing strategic relevance of the subcontinent and tends to redefine its package of interests that has long been underestimated, if not totally ignored. But China's role of high-profile participation is regrettably controversial because of its encounters with the regional powers. As Beijing sees it, a reassessment of its security environment based on the emerging realities of the post-9/11 "war on terror" and the major regional players going nuclear, becomes a necessity. Also, China's seemingly paradoxical policy formulas for India and Pakistan require further clarification and some elaborate modifications.

South Asia's Relevance

South Asia provides a unique space for examining inter-state, intrastate, and non-traditional conflicts, despite perhaps being typologically distin-

guished from other hotspot regions. The lack of an effective regional mechanism for conflict resolution further highlights the relevance.¹ This paper focuses on the South Asian scenario. As broadly categorized, major identifiable patterns of conflict in South Asia, both actual and potential, chiefly include:

- Inter-state conflict: Indo–Pakistani rivalry centered on Kashmir (with its manifold ramifications) that has lasted for more than half a century (examples include both the Kargil conflict in 1999 and the armed standoff in 2002). This highlights the enduring territorial disputes, core national interests and the ongoing, slow-moving process of peace between the two nuclear-armed nations.
- Internal conflict/civil war with outside inputs: instability within Pakistan; lingering crisis and volatility in Nepal and evolving turmoil in Bangladesh and Sri Lanka.
- Non-traditional conflict: the formidable challenge posed by terrorist/extremist groups and organizations; nuclear risks caused by unconfirmed nuclear deterrence or proliferation and maritime security in the Indian Ocean, etc.
- Other extra-regional factors that influence conflict and create and magnify uncertainties include: an antagonized or exclusive coalition or alliance (the U.S. factor); improper or excessive foreign intervention; a contingent military showdown as a result of failed confidence-building or an accumulated incompatibility between China and India, e.g. the unsolved Sino–Indian border disputes or perceived geo-strategic discrepancies and/or clashing areas of interest between them (for instance, the emerging Indo–U.S. strategic nexus directed against China as Beijing perceives it; or the so-called China's strategy of "String of Pearls" as India and the United States perceive it).²

¹ Chetan Kumar, "Conflict Prevention in South Asia," in Albrecht Schnabel and David Carment, eds., *Conflict Prevention from Rhetoric to Reality, Vol. 1: Organizations and Institutions* (Lanham, MD: Lexington Press, 2004), pp. 105f.

² The "String of Pearls" is used to describe the presumably well-designed strategic maneuvers of China aimed to expand its security needs and geopolitical leverage by increasing access to major ports and shipping lanes, cultivating special partnerships with the selected countries, and exploring opportunities of military pres-

All of these crises and conflicts facing South Asia, both actual and potential, seem not to be completely isolated from one another and most of them are, at differing times and in varying degrees, intermingling, interplaying or interrelated. As a unique phenomenon, the problem of “cross-border terrorism” has been inherently associated with the prolonged rivalry between India and Pakistan and become a major stimulant for the low-intensity conflict between the two countries. Another example is that the process of conflict and rapprochement in Nepal has proven to be not only a simple outcome of various internal factors at work, but also the result of different external influences. In discussing some of the South Asian conflicts, one has to develop a wider geographical scope by closely watching what has happened regionally in Afghanistan, Myanmar, and Central Asia. Perhaps one revealing example of this is the correlation between present Pakistan’s fragile political dilemma and the unchecked penetration of Islamic militants across the Pakistani–Afghan border, both intimately intertwined with the U.S. anti-terror operation in that region.

There are two points about this research that have to be clarified before further analysis. First of all, as an attempt to explore the practice of conflict management in the South Asian context and its relevance to China, this paper will first focus on major conflicts between the important regional players with significant implications. In most cases, a general reference to the conflict in “South Asia” tends to specifically refer to the problematic and crisis-prone relations between New Delhi and Islamabad. It is also why this paper focuses on the Indo–Pakistani rivalry and why India-centered subjects take precedence over others in addressing the issue of conflict management in South Asia.

Second, this paper is an attempt to probe China’s role in managing the present South Asian conflicts based on close observation and examination.

ence in the near future. Geographically, the strategy is believed to span from the Persian Gulf, the Indian Ocean to the South China Sea through the Strait of Malacca. See By Chris Devonshire-Ellis’s “China’s String of Pearls Strategy,” *China Briefing*, March 18, 2009.

To bolster the basic arguments involved, a panoramic picture of China's interest relevance, strategic perceptions, and policy options regarding South Asia is offered, and the underlying rationales for its approaches and performance examined and explanations considered. As an integral part of analyzing the emerging opportunities and challenges in South Asia, China's strategic engagements with India, Pakistan, and the United States in the region are elaborately probed. Two recent cases of conflict in South Asia are selected for a more in-depth analysis; with particular focus on China's role and capacity in influencing the trajectory of those events and in working toward prevention, reduction, and resolution of conflict. These identifiable cases include the India–Pakistan Kargil rivalry in 1999, the Indo–Pakistani armed standoff in 2002, and the protracted civil conflict in Nepal from the 1990s to the present.

In the post-Cold War scenario, China's dealing with South Asia in perceiving and responding to conflicts and emergencies is primarily defined by its larger foreign strategy and its key interests in the region. This helps to explain China's evolving interests in South Asian conflict prevention and management. Beijing's stakes in the strategic matrix of South Asia include:

- Prevention of any major armed conflict in South Asia and maintainance of a stable and peaceful neighborhood; the nuclear reality in the subcontinent significantly enhances this necessity.
- Avoidance of any “side-taking” in major conflicts between India and Pakistan; taking a symmetrical stance in developing friendly relations with both.
- Discouragement of any strategic coalitions or alignments against China involving the regional and extra-regional powers.
- Upgrading China's political profile as a credible partner and exploration of a new role in regional political, economic, and security arrangements.
- Securing strategic and economic gains in the Indian Ocean by forging reliable bilateral relationships between the regional players (India, Pakistan, Bangladesh, Myanmar, etc.).

China's declared interests and stakes in South Asia and the Indian Ocean are multi-layered and complicated and not necessarily compatible and complementary. This feature helps explain the sophistication and elasticity of China's South Asia diplomacy. To achieve their objectives in the evolving regional context, Beijing has selectively used various means and techniques, including:

- Intensifying diplomatic leverage through reinforcing bilateral relations with individual governments to enhance the level of mutual trust and confidence by evolving non-exclusive strategic partnerships/ comprehensive partnerships of cooperation in a broader sense (the enduring partnership with Pakistan, and the emerging ones with India, Bangladesh, and Sri Lanka, respectively, following Prime Minister Wen Jiabao's South Asia visit in April 2005).³
- Increasing the transparency and predictability of China's diplomatic agenda and options toward the region. This effect is amplified by high-profile visits and high-level dialogues that tend to be institutionalized. It merits mention that the Sino-Indian Strategic Dialogue, unlike the special representatives' talks on boundary disputes, covers larger issues of concern, such as bilateral and regional endeavors to prevent conflict.⁴ There are also parallel security dialogues on strategic concerns between Beijing and Islamabad.⁵
- Refraining from simply taking sides with one party in an inter-state rivalry or conflict. This shows an inclination to make impartial judgments, react to events based on the specific facts and press for restraint and negotiation. The 1999 Kargil conflict and the 2002 military standoff

³ Ministry of Foreign Affairs of the People's Republic of China, "Friendship Builds Peace and Cooperation Promotes Development Li Zhaoxing Talks about Achievements of Premier Wen Jiabao's Visit," April 13, 2005, <http://www.fmprc.gov.cn/eng/wjb/wjbz/2467/t191622.htm>

⁴ "China-India strategic dialogue manifests partnership," *People's Daily* (English ed.), Jan. 12, 2006, http://english.people.com.cn/200601/12/eng20060112_234849.html

⁵ "IX. International Security Cooperation," *China National Defense 2004: White Paper*, Beijing, 2004, [http://english.people.com.cn/whitepaper/defense2004/defense2004\(9\).html](http://english.people.com.cn/whitepaper/defense2004/defense2004(9).html)

between New Delhi and Islamabad are two convincing examples that will be discussed in detail later in this paper.

- Expanding tangible interaction between China and the major states in South Asia at regional, trans-regional, and multilateral levels. In this regard, one may notice Beijing's declared interest in the South Asian Association for Regional Cooperation (SAARC) and its endorsement of the acceptance of New Delhi and Islamabad as observer members of the Shanghai Cooperation Organization (SCO). This trend of expanding interactions is also identified by the fact that Beijing has favorably commented on its "healthy competition" with New Delhi in the Association of Southeast Asian Nations (ASEAN) and has embraced a pan-Asian mechanism of energy security cooperation joined by Russia, Japan, Korea, India, and Pakistan.⁶
- Coordinating China's stance with that of other major powers on key issues (conflict defusing, energy security, counterterrorism, and non-proliferation of weapons of mass destruction (WMD), etc.). This preference is also highlighted by China's proactive reaction to the post-9/11 "war on terror" and its role in facilitating the reconciliatory effort of South Asian neighbors in conjunction with the G-8 in 2002.
- Exploring cooperation in combating extremists, separatists and terrorists, and seeking to envisage the threats as a mutual challenge and a new dimension of China's relations with other regional states and players. This is a new and meaningful dimension in a series of bilateral relations. For instance, opportunities and requirements to cooperate in combating terrorism are explicitly mentioned in a series of bilateral documents with India, Pakistan, and Bangladesh.
- Setting ambitious targets of trade and economic interaction with an emphasis on growing interdependency between Beijing and the region (increase China-India trade to US\$60 billion by 2010 and China-Pakistan to US\$15 billion by 2012).⁷ For this objective, India and Pakis-

⁶ Sergei Blagov, "Russia, China eye pan-Asian oil bridge," *Asia Times Online*, June 26, 2002, <http://www.atimes.com/c-asia/DF26Ag02.html>

⁷ Diwakar and Saibal Dasgupta, "India, China aim for \$60-billion trade by '10," *The Times of India*, Jan. 15, 2008, http://timesofindia.indiatimes.com/PMs_China_visit_Enter_the_Dragon/India_China_aim_for_60-billion_trade_by_10/article

tan are of considerable importance in terms of their role in bolstering China's economic leverage and stakes, despite the fact that Beijing's economic diplomacy also applies to the other countries in the region.

- Providing selected countries with lucrative economic aid to restore and stabilize their domestic order. Moreover, aid and assistance are not only aimed at cementing bilateral relations with those states, but also can be used as a helpful instrument to manage conflict, prevent crisis, and achieve stability in recipient countries. Most major Chinese aid arrangements with its South Asian neighbors, including Pakistan, Bangladesh, Nepal and Sri Lanka are partially conditioned, in either explicit or implicit ways, with binding obligations to prevent instability and disorder.
- Being highly responsive towards new developments in the regional security scenario. Beijing learned to accept the reality of South Asia going nuclear and has moderated its harsh attitude toward India's nuclear aspirations. Another example is Beijing's change of stance in the UN, voicing its calibrated support for India to seek membership of the Security Council in due course. Beijing has also taken an open-ended and adjustable approach to the controversial Indo-U.S. civilian nuclear deal in both bilateral interaction (e.g. high-level visits and strategic dialogue) and in multilateral organizations such as the International Atomic Energy Agency (IAEA) and the Nuclear Suppliers Group (NSG).
- Addressing the outstanding problems between China and India, seeking an earlier settlement of border disputes. Beijing is willing to take a flexible and issue-oriented approach in order to bridge differences and achieve irreversible progress in the planned timeframe and breathe more substance into the present partnership between the two Asian giants.
- Declining to engage or support any anti-state or undermining forces and insurgent groups in the region (e.g. Naxalites in India, Islamic militants in Pakistan and Bangladesh, Nepalese Maoists before joining national mainstream politics, and the LTTE in Sri Lanka) at the government level. This marks a basic shift from the traditional paradigm of exporting revolution that prevailed, at least vocally, before the 1970s

and also marks a pragmatic exploration dealing with other sovereign states in this region.

- Making proper use of people-to-people diplomacy or “track-two diplomacy” as an effective instrument to diversify and multiply China’s influence and effects. In this regard, several successful cases include the authorized civilian dialogues between China and India shortly after the setback caused by India’s nuclear tests and its statements of the “China threat” in 1998;⁸ and Beijing’s cautious attempt to contact the Nepalese Maoists given the possibility of their return to the political mainstream in the country.

⁸ Inder Malhotra, “A People’s Diplomat,” *The Hindu*, June 21, 2001, <http://www.hinduonnet.com/2001/06/21/stories/05211348.htm>

South Asia: China's Engagements with Regional Powers and the United States

China's South Asia Policy in Flux

The amplifying capacity of China to influence conflict management in South Asia has primarily been derived from its renewed policy objectives in the region. China's South Asia policy has been one of the side-products of its general diplomacy and security perceptions. It has rightfully reflected China's needs and interests in this region at different levels. Sino-Indian disputes over the border issue, the 1962 war and the preoccupation with the "security dilemma" have become critical elements affecting China's policy options and maneuvers in South Asia. During much of the Cold War, Beijing forged a strong strategic nexus with Pakistan, joined by the United States in the 1970s and 1980s, in order to offset India's close quasi-alliance with the former Soviet Union. This gave the impression that China was siding with Islamabad and overbalancing or even crippling India. Beijing's approach toward South Asia, however, has experienced a subtle transformation since the 1990s. This new approach accentuates a balanced stance in regional affairs, especially in the Indo-Pakistan equation. It is also about developing a constructive relationship with New Delhi in a moderate way while maintaining the time-tested Sino-Pakistan partnership.

Symmetrical Bilateral Relationships and Even-handed Posture

Since the end of the Cold War, Beijing has begun to consciously readapt its South Asia agenda, with a focus shifting from aligning with Pakistan against India towards one nurturing parallel relations with Islamabad and New Delhi. This also indicates a shift from taking the prolonged Indo-Pakistani rivalry for granted, to actively trying to defuse tensions between its South Asian neighbors. The signal of modifying the traditional pattern became more visible in the mid-1990s, culminating in Beijing's neutrality in

the 1999 Kargil conflict.⁹ During the crucial phase of this crisis, Beijing reportedly performed an active role by persuading Islamabad to stop the military endeavor and take a peaceful approach.¹⁰ For most Indians, it was easy to understand and accept Beijing's middle-path maneuver and peace endeavors during the Kargil rivalry despite the remaining resentments imbedded in the historical context of China's strategic nexus with Pakistan.¹¹

During the escalating confrontation between New Delhi and Islamabad shortly after the terrorist attack on the Indian Parliament in December 2001, China's balanced stance was seen to persist by calling for mutual restraint and a peaceful solution. Beijing strongly condemned the terrorist menace facing India and encouraged General Pervez Musharraf to take tough measures to target terrorism and extremism.¹² This posturing indicates China would prefer, instead of always supporting Islamabad, to make an unbiased judgment of the imbroglio involving its two South Asian neighbors; and then prudently respond to individual occurrences on a specific basis. In addition, by making full use of its special relations with Pakistan, China could exert a positive influence on the policy-makers in Islamabad to

⁹ During the period from early May through October 1999, India and Pakistan actually entered a major military conflict, which was triggered by the alleged armed penetrations of the Pakistani-backed militants into the India-controlled Kashmir, which India has called the "cross-border terrorism." The eruption of conflict produced a challenging impact on the relations of India and Pakistan. The escalated conflict had kept its high profile and the risk of a total war until October of that year when the two nuclear-able neighbors reached an agreement of ceasefire and withdrawal, primarily thanks to the diplomatic pressure from the United States and China.

¹⁰ Teresita Schaffer, "South Asia: Problems and Potential," with Ambassador Teresita Schaffer, CSIS, The CSIS Japan Chair Global Dimensions Briefing, Feb. 28, 2008, http://www.csis.org/media/csis/events/022800_jp.pdf; Jing-dong Yuan, "Promise and problems," *Asia Times Online*, April 9, 2005, http://www.atimes.com/atimes/South_Asia/GD09Df05.html

¹¹ M.S.N. Menon, "Why was China neutral during Kargil action?" *The Tribune*, Nov. 5, 1999, <http://www.tribuneindia.com/1999/99nov05/edit.htm#4>

¹² Maria Ressa, "India and China agree to fight terrorism," CNN News, Jan. 15, 2002, <http://archives.cnn.com/2002/WORLD/asiapcf/east/01/14/china.india/index.html>; "China praises Musharraf's anti-terror measures," *Dawn*, Aug. 28, 2002, <http://www.dawn.com/2002/08/28/top10.htm>

relax the constant tension with India and so seek a reconciliatory outcome. A closer observation also suggests that Beijing has chosen to contribute to defusing the conflict in a low-key way that has proved to work underneath the proverbial radar.¹³ This would explain why Beijing's effort tends to be underestimated.

China's shifting stance towards the India–Pakistan imbroglio is indicative of the necessity to reevaluate China's relationship with India. This justifies Beijing's willingness and eagerness to play a facilitating role by elaborating a neutral vision of the developments in the subcontinent. First of all, China is becoming accustomed to the looming reality of the emergence of India as a rising power – both regionally and globally. As generally observed, China's largest Asian neighbor wields increasing power due to the performance of its “new economy” program. India's economic performance, IT preponderance, and its emergence as a huge market, have become key factors in bolstering a more influential diplomacy and robust interaction with major powers, especially toward the United States.¹⁴

The last decade has seen a phenomenal and successive increase in China–India trade and economic engagements. This heightened economic interaction has had profound effects on Sino–Indian relations as a whole. Regular exchanges of high-level visits and expanding military interactions have proceeded as expected and both the Bharatiya Janata Party (BJP)-led and Congress-led governments in New Delhi (respectively in 1998–2004 and from 2004 onwards) have assured Beijing of nurturing the bilateral relations with growing momentum. Many believe that the uplifting strength and confidence India has begun to attain will be helpful in interacting with Beijing in an increasingly positive manner.¹⁵ According to an emerging Chi-

¹³ Zhang Li, *China's Concerns over Indo-Pakistani Conflict and the Sino-Indian Relations*, Occasional Paper, CAS/HKU, Hong Kong, July 2008.

¹⁴ For analytical Chinese views on India's strategic ascendance in the present global context, see Ma Jiali's *Focus on India: A Rising Power* (Tianjin: Tianjin Publisher, 2002); and Wang Dehua's *The Dragon and the Elephant: A Comparison of China and India on the Rise in the 21st Century* (Shanghai: Social Sciences Publisher, 2003).

¹⁵ Fu Xiaoqiang, “India's Changing Diplomacy: An interpretation,” *World View* (Beijing), No. 4, 2004

nese view, India, in terms of its international weight, economic potential, military build-up, and strategic aspiration, should have an influential role to play in the emerging global structure.¹⁶

Next, it is quite easy for Beijing to identify several primary similarities and overlapping interests enjoyed by both China and India in the present global politico-economic arrangements. This has led Beijing to adopt a more accommodating policy toward New Delhi by stressing commonalities and underplaying differences. Responding to new developments in international relations, both China and India have been outspoken about their discontent with unilateralism and hegemony in global affairs, which highlights the shared perception of the existing international order. Although China, perhaps just like India, has fully recognized the limits set by historically problematic bilateral relations, Beijing basically believes that the two Asian giants could develop friendly, good-neighborly relations rather than confronting or containing each other.¹⁷

Moreover, China's balancing posture also reflects its expectation that regional peace and stability will be achieved. It is realized that an increasingly unbiased dealing with the regional conflicts is more helpful for Beijing when it wants to exert influence in a way that is acceptable to others. In other words, if peace efforts fail, an intensifying conflict, even a total war between the two nuclear neighbors, would block the chances of China cultivating a healthy relationship with India, thereby weakening the very basis of their trust and understanding. Strategically, aggravating an Indo-Pakistani confrontation would create renewed tensions along China's lengthy southwestern periphery, contrary to China's interests in strengthening its strategic presence in stabilized surroundings.¹⁸ Furthermore, Beijing has to rule out any possibility of becoming involuntarily involved in such a

¹⁶ A typical Chinese analysis of the expected global role of India is Ma Jiali's *Focus on India*.

¹⁷ Sun Shihai, "The Evolving Sino-Indian Strategic Partnership Based on Mutual Trust," *Contemporary World* (Beijing), No. 11, 2006.

¹⁸ Yuan Di, "China and South Asian Security: Influence and Constraints," *South Asian Studies Quarterly* (Chengdu, China), No. 3, 2001.

high-intensity regional confrontation by ensuring that it does not convey any wrong signals.¹⁹

Changing Mindsets on Kashmir

The Chinese view of Kashmir seems to provide another key parameter for gauging its post-Cold War South Asia diplomacy. China began to revise its South Asia policy around the mid-1990s, symbolized by President Jiang Zemin's visit to the subcontinent in 1996, when Beijing visibly played down the significance of UN resolutions on Kashmir. These resolutions basically endorse a final settlement by a virtually pro-Pakistan plebiscite, and China came around to advocating a formula of resolving the Kashmir problem through bilateral negotiations rather than through the imposed internationalization.²⁰ While comprehending Islamabad's vital stake in the ultimate outcome of the Kashmir stalemate, Beijing has repeatedly proposed that India and Pakistan work together on other easier but still significant aspects of their bilateral relationship, prior to reaching a final resolution in Kashmir.²¹

Many in China, however, still regard the Indo-Pakistani dispute over Kashmir and the constant unrest within that region as one of the rationales of the prolonged rivalry between New Delhi and Islamabad. According to this argument, the origins of the India-Pakistan deadlock are more complicated than that of cross-border terrorism, despite the fact that the violence and attacks on India have seriously discouraged any attempts to seek a meaningful outcome acceptable to both sides.²² It is believed that enhancing efforts to make the internal situation in Kashmir less strained should be the central part of an overall formula aimed at departing from the stalemate. In

¹⁹ "China's potential peripheral wars: a speculation," March 28, 2001, http://military.china.com/zh_cn/important/64/20010328/154871.html

²⁰ Sudha Ramachandran, "Sino-India ties marred by the 'P' word," *Asia Times Online*, April 9, 2005, http://www.atimes.com/atimes/South_Asia/GD09Df04.html

²¹ Cheng Ruisheng, "Kashmir: The Ways of Peaceful Settlement," *Contemporary Asia and Pacific* (Beijing), No. 11, 2003.

²² Zhang Li, *China's Concerns over the Indo-Pakistan Conflict and Sino-Indian Relations*, p. 13.

this regard, the Indian government's initiative to hold a fairer and more representative election in Jammu and Kashmir in October 2002 proved to be an encouraging attempt to create a favorable climate for Kashmir as well as for Indo-Pakistani relations, even though it was not a referendum that was advocated by Pakistan.

Also, as some analysts have probably rightly argued, Beijing's sophisticated rethinking of the Kashmir issue is, at least in part, based on an assessment of its likely implications for Chinese ethnic areas, of which Xinjiang and Tibet have been plagued by growing ethnic-religious unrest and secessionist outburst in recent years. In particular, the mounting fear of Islamic militants operating across the border and of foreign-sponsored separatists tends to enhance Beijing's awareness of the need to address terrorism jointly with New Delhi.²³ As this logic goes, Beijing has no desire to see Kashmir a victim of national disruption based on the controversial formula of "self-determination," which is believed to come to be a precedent to Xinjiang or Tibet.

China vs. India

As many cases suggest, political will invariably plays the essential role of catalyst in resolving interstate crises/disputes and preventing conflicts in international relations. It could also be true in the case of Sino-Indian relations. Since the 1990s, both China and India have reiterated the necessity of addressing the problems that have dogged relations for a long time. This represents a pragmatic departure from the previous pattern of interaction. The lingering chill and enmity between the Asian giants since the 1962 war has been visibly mollified. For both Beijing and New Delhi, it has become increasingly helpful to locate their overlapping interests in bilateral as well as multilateral arrangements. While normalizing their ties in different areas, both governments have become motivated to spot commonalities in depth and breadth.

²³ Jagannath P. Panda, "India and China on parade," *Asia Times Online*, Aug. 1, 2007, http://www.atimes.com/atimes/South_Asia/IH01Df02.html

In various multilateral forums, Beijing and New Delhi are vocal about their growing opposition to hegemonic and unilateral conducts and are working together for a multi-polar global order, in which they assert that they are themselves qualified to be significant players. The Indian strategic elite, like their Chinese counterparts, have great reservations about, or even reject, the practice of human rights intervention that is believed to challenge and undercut the sovereignty of a nation state and serve as an easy pretext to meddle in states' internal affairs.²⁴ Both see a stable and less confrontational geopolitical environment as a must to amplify their national strength and to make economic development the top priority.²⁵ Moreover, both have regarded the preservation of the legitimate rights and interests of the developing world as one of the basic global commitments in regimes such as the WTO.²⁶

On the other hand, it is generally agreed that there will be a full-fledged competition between China and India in the long run, in view of their respective geo-strategic aspirations and the prospect of neutralizing effects of their parallel enhancement of capability.²⁷ As some analysts have speculated, the two rising Asian powers might have to vie with each other for spheres of influence, rather than peacefully share interests in Asia and elsewhere. There is speculation that this contest would lead to an undesira-

²⁴ M. H. Ansari, "Sovereignty and human rights," *Frontline*, Vol. 20, No. 1, Jan. 18–31, 2003, <http://www.hinduonnet.com/fline/fl2001/stories/20030117000107100.htm>

²⁵ For the consensus of China and India for development and economic growth, see Shubham Chaudhuri and Martin Ravallion, "Partially Awakened Giants: Uneven Growth in China and India," in L. Alan Winters and Shahid Yusuf, eds., *Dancing with Giants: China, India, and the Global Economy* (Washington, D.C.: The World Bank; and Singapore: The Institute of Policy Studies, 2007). A standard Chinese view was offered by President Hu Jintao at the Boao Asia Forum 2004, see "Hu's address: China and Asia: Development and Opportunities," in Ministry of Foreign Affairs, PRC, *China's Foreign Affairs*, pp. 393–7.

²⁶ "India and China to cooperate at WTO," *The Statesman*, June 26, 2003, http://www.accessmylibrary.com/coms2/summary_0286-23647207_ITM

²⁷ For a balanced examination of perceptions by both China and India of each other's threat, see Waheguru Pal Singh and Jing-dong Yuan, *China and India: Cooperation or Conflict?* (Boulder, CO; and London: Lynne Rienner Publishers, 2003), pp. 48–63.

ble confrontation.²⁸ This alarming assertion is presumably grounded on some shared but clashing attributes: the great and exclusive legacies of civilization, sizes of population, burgeoning global-oriented markets and enormous economic potential, as well as immeasurable demands for foreign direct investments (FDI), strong nationalistic sentiments, and pressing aspirations to increase power on the global stage.

In fact, it seems easy to pick up evidence to bolster this assertion. For instance, it is widely believed that India feels extremely uncomfortable about China's efforts to cultivate partnerships with its smaller neighbors including Myanmar, Nepal, Bangladesh and Sri Lanka, let alone Beijing's "time-tested relationship" with Pakistan. Indian strategists often voice concern and grievances about Beijing's growing interest in the Indian Ocean.²⁹ Equally, China has kept an eye on the increasing operation of the Indian Navy in the South China Sea, New Delhi's intention to cooperate with Washington to materialize the U.S. National Missile Defense (NMD) scheme (although the present United Progressive Alliance (UPA) government becomes more prudent in this engagement) and its recent joint naval exercise with the United States, Japan, and Australia in the Bay of Bengal.³⁰ Does all of this truly reflect the unchangeable nature and mentality of *realpolitik* as far as the Sino-Indian strategic nexus is concerned?

²⁸ See John W. Garver, *Protracted Contest: Sino-Indian Rivalry in the Twentieth Century* (Seattle: University of Washington Press, 2001), pp. 26-27.

²⁹ Mohan Malik in "China's Strategy of Containing India," *Power and Interest News Report* (PINR), Feb. 6, 2006. Other recent researches include Brahma Chellaney, Jae Ho Chung, Carlyle A. Thayer, "Potential Risks and Gains of China's Ambitious Strategy: Assessing Regional Reactions to China's Peaceful Development Doctrine," *NBR Analysis*, Vol. 18, No. 5, April 2008; and Tarique Niazi, "China's March on South Asia," *China Brief* (Jamestown Foundation), Vol. 5, No. 9, March 26, 2005, http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=30304

³⁰ See Stratfor.com, "India challenges China in South China Sea," *Asia Times Online*, April 26, 2006, <http://www.atimes.com/ind-pak/BD27Df01.html>; "China Cautions India over Supporting US Missile Shield Plan," *China Daily*, May 20, 2001, http://english.peopledaily.com.cn/200105/20/eng20010520_70480.html; and Sandeep Dikshit, "Biggest joint naval exercise in Bay of Bengal in September," *The*

However, if things are scrutinized from another angle, it should not be taken for granted that China and India's respective global power aspirations will logically spark an undesirable confrontation in the future. Indeed, many in both countries argue that the emerging competition between them should, if conducted in a healthy manner, be treated as a normal and acceptable trend; rather than necessarily an undesirable threat to their bilateral ties and regional security. For instance, the creative engagements of Beijing and New Delhi with ASEAN under a broader mechanism, represent a like-minded mentality: to expand their compatible and complimentary benefits through a trans-regional regime of cooperation.³¹ Similarly, China's encounters with India in the building of a Beijing-Moscow-New Delhi tripartite nexus under the broader SCO framework are of constructive significance.³² In the past decade, both Beijing and New Delhi have declared that they will never see each other as a strategic threat. Many observers in China begin to embrace the idea that the vigor and ambition of the Indian economy, as well as renewed Indian confidence, may help create significant opportunities for a more congenial developmental environment. This situation would serve a productive Sino-Indian connection and would also be favorable to regional arrangements.³³

Both China and India are seen as rising global powers and the catalysts of today's global economic growth. It will be natural for both of them to redefine their relationship to include competition and cooperation in an expanding range of interests. Actually, this perception comes to be part of their strategic thinking about each other. As an essential step, however, the endeavor to enhance mutual strategic confidence and trust becomes neces-

Hindu, July 13, 2007, <http://www.hindu.com/2007/07/13/stories/2007071354331500.htm>

³¹ Liu Xuecheng, "Bilateral cooperation among China, Japan and India more realistic," *People's Daily*, May 14, 2004

³² Sergei Blagov, "Moscow-Beijing-New Delhi Axis Moves in Slow Motion," *Eurasia Daily Monitor*, Vol. 4, No. 34, Feb. 16, 2007, http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=32503

³³ "China, India should seek common development and prosperity," *China Daily*, March 31, 2006, http://english.peopledaily.com.cn/200603/31/eng20060331_255013.html

sary, given the fact that some strategic elites in both China and India overlap the effects of the "security dilemma" facing them in dealing with each other.³⁴ Fortunately, voices have been raised in both countries, justifying the importance of overcoming the security dilemma through deepening mutual trust and constructive interaction.³⁵

Unlike the classic hawks or doves, pragmatic thinking suggests a stable, predictable Sino-Indian security relationship that would considerably contribute to challenging power politics in Asia, thereby helping dispel the enduring preoccupation of threat when they face each other. It also suggests that, for either of them, to define and articulate their respective interests and security concerns could be regarded as an acceptable display of aspiration and self-assertiveness rather than as a provocative act of belligerency. This reasonable vision specifically challenges the habitual perception that Beijing's partnerships with Bangladesh, Myanmar or Pakistan must be aimed against India; or that a warmer Indo-U.S. relationship would necessarily be part of encircling China. Kept in perspective, a healthier and more secured Sino-Indian relationship will depend on whether and how both Beijing and New Delhi credibly achieve the building of mutual confidence and trust.

Looking Ahead

One can scarcely deny that, for Beijing and New Delhi, the very base of confidence-building measures (CBMs) lies not merely in their perceptions of each other's strategic intents, but also in their understanding and accommodation of each other's aspirations. Compared to the sanguine official

³⁴ One of Chinese analysis is Zhuang Youming's "Analysis of the Restraint Elements that Affect Sino-India Relations Since 1990s," *Jinan University Journal*, No. 3, 2006; for India's remarks, see Mohan Malik, "China's Strategy of Containing India," *The Power and Interest News Report*, Feb. 6, 2006; and Zorawar Daulet Singh, "India's vision blurs over China," *Asia Times Online*, Jan. 29, 2008, http://www.atimes.com/atimes/South_Asia/JA29Df01.html

³⁵ Among the noticeable comments are Liang Qiang's "Sino-Indian harmony breaks security dilemma," *Financial Times* (Beijing), Nov. 27, 2006; and Raja C. Mohan's "New Paradigm of Indo-China Relations: From Security Dilemma to Partnership," *China Report*, No. 4, 2005.

rhetoric, public awareness of the growing need for goodwill would offer a more convincing guarantee for reshaping their relationship. For observers of China–India relations, a reassessment of different parameters of the 1962 border war and the boundary dispute based on innovative insight and the newly declassified documents could better inform the present-day bilateral ties. Also, as some Chinese researchers have observed it, many Indians have a traumatic memory of the 1962 war even after some forty years and continue to see it as one of the deep-rooted reasons for distrusting Beijing.³⁶ Perhaps in the same way, many in China tended just a decade before to see India simply as an ill-intentioned and oddly-matched opponent, without knowing the whole picture of fascinating Sino–Indian historical contacts. Prejudices and grievances, along with the distorted voicing of nationalistic sentiments, prove fundamentally detrimental to cultivating a healthy atmosphere for their relationship.

It is encouraging that the fortieth anniversary of the border agreement was also a time when a psychological change in India was seen. The views on the origins, ramifications, and implications of the conflict became more liberal, sophisticated, and objective; some creative and forward-looking insights were emerging.³⁷ Rediff.com, a prestigious Indian national website, organized a discussion entitled “Remembering a War: The 1962 India–China Conflict” and Chinese experts were invited to contribute papers dealing with this episode in the history of the Sino–Indian encounters.³⁸ This initiative to rethink the conflict from a changing perspective represents, to some degree, the recovery of self-confidence for India when engaging China in the future.

Based on the previous experience of conflict and harmony, the vicissitude of their political relations, as well as the perception of each other, will

³⁶ Wang Hongwei, “Get out of the Shadow,” *The Rediff Special*, Dec. 26, 2002, <http://www.rediff.com/news/2002/dec/26chin.htm>

³⁷ A provocative research among others is Mira Sinha Bhattacharjea, “1962 Revisited,” in G. P. Deshpande and Alka Acharya, eds., *50 years of India, China: Crossing a bridge of dreams* (New Delhi: Tulika, 2001), pp. 427–45.

³⁸ For the major views and arguments offered in this discussion, see contributions found on Rediff India Abroad, <http://www.rediff.com/news/indochin.htm>

have a strong bearing on the future of Beijing–New Delhi interactions. The honeymoon period of *Hindi Chini bhaibhai* (“India and China are brothers”) in the early 1950s was bolstered by frequent people-to-people contacts and benign promotion of each other’s profile. Unfortunately, however, the image of a friendly India faded in Chinese memories during the deterioration of bilateral relations in the 1960s–80s. India came to be viewed as an estranged and unwelcome neighbor for most ordinary Chinese; the same was true of the common Indian view of China. Perhaps worse, as Indian scholars sensitively observe, “India did not figure in Chinese peoples’ perceptions at all.”³⁹

Both historical experience and pragmatic assessment suggest that people-to-people contact and the reciprocity of positive intellectual exploration of each other help remove prejudices, suspicion and enmity between China and India. By sharpening a knowledgeable perception and understanding, Beijing and New Delhi could find a more credible foundation for building up their future bond based on mutual confidence and make their policy options and behaviors more stable and predictable. To do this, some ground work needs to be laid. Some examples are quite telltale. Under the current exchange scheme sponsored by the two governments, no more than two dozen scholars and students receive an annual scholarship and have the chance to arrange cross cultural study visits. It is a pressing mission to expand this scheme of scholarly exchange to enable more potential promoters of their evolving positive relations to emerge. Also, the limited flow of ideas and information between the Chinese and Indian public has failed to attract intellectual interest and boost mutual understanding. As one of the requisites for fruitful engagements, such circumstances must be improved as early as possible in order to increase the potential for mutual trust and confidence of the two peoples.

³⁹ Subhash Kapila, “China-India Strategic Alliance Should not be Unthinkable: An Analysis,” *South Asia Analysis Group*, Paper No. 1375, Dec. 5, 2005, <http://www.southasiaanalysis.org/%5Cpapers14%5Cpaper1375.html>

Economic and Anti-Terrorism Momentums

Since the mid-1990s when India became China's largest trading partner in South Asia, Sino-Indian relations have been characteristic of increasing economic relevance. The economic bond is considered to be the backbone of the improved bilateral relations. The dramatic increase of two-way trade has become impressive, up to US\$38 billion in 2007, much more than previously expected.⁴⁰ Encouraged by the exciting trend, the leaders of the two countries are determined to move toward an ambitious target of \$60 billion by 2010.⁴¹ As generally anticipated, the take-off of bilateral trade and the preference of an economic nexus have exerted a visible impact on the long-standing relationship between Beijing and New Delhi. Thanks to the attributes of balance and mutual benefit in the bilateral trading links, the economic and trade relations between Beijing and New Delhi have become a powerful tool for both to drive their respective foreign agendas.⁴²

Perhaps it is meaningful to take a useful example that helps justify this tendency. Roughly one decade back, analysts in China and India showed interesting differences in valuing the significance of expanding economic and trade links to their politico-security prospects. Primarily, Indians tended to doubt and underplay the decisive effects of increasing economic interaction, whereas the Chinese side believed that to forge trading partnership could considerably underpin a more stable and more credible political relationship between them. A convincing example is Beijing's hard but safe diplomacy with the United States, in which the well-developed economic interdependency theory has made it easier to lessen the likelihood of a security crisis or political showdown. In the South Asian context, one example meriting mention is that China-India trade secured a steady increase in

⁴⁰ Huma Siddiqui, "Sino-Indian ties on a roll, despite hiccups," *The Financial Express*, May 7, 2008, <http://www.financialexpress.com/news/sinoindian-ties-on-a-roll-despite-hiccups/306196/3>

⁴¹ "India, China to increase trade target to \$60 bn," *The Financial Express*, Jan. 13, 2008, <http://www.financialexpress.com/news/china-india-seek-to-increase-trade-to-100-bn-by-2015/168561/3>

⁴² Swaran Singh, *China-South Asia: Issues, Equations, Policies* (New Delhi: Lancers Books, 2003), pp. 141-4.

1998–2000 regardless of a major setback to their good-neighbor relationship in the wake of the Pokran II nuclear tests. Therefore, New Delhi's shifting approach to the economic-political equation echoes Beijing's beliefs that the two nations are able to nurture a healthy multi-faceted partnership in the future while waiting to reach a mutually acceptable solution to the protracted border dispute.

In addition, some other initiatives have helped amplify the effects of economic interaction and pave the way for a broad cooperation on a bilateral as well as regional basis. During the last decade, substantial efforts have been made by China's frontier province of Yunnan and India's north-east states to overcome the respective developmental bottlenecks by exploring the feasibility of refurbishing infrastructure along their shared borders for mutual benefit. The inspiring projects of re-opening the overland traffic linking Yunnan, Rangoon, Dhaka and Assam and of starting the Kunming–Kolkata airline have been under way. These pioneer projects are exclusively devised to smooth the sub-regional economic cooperation between southwest China and northeast India. The Kunming Initiative, which started in 1998, aiming to promote economic and cultural cooperation between China, India, Myanmar and Bangladesh, is widely accepted by the nations concerned as a common platform to solidify sub-regional partnerships.⁴³ Some Chinese experts have proposed to enhance the mechanism of cooperation, diversify its functions, and transform it into another version of the SCO.⁴⁴

Regrettably, however, while the sub-regional cooperation gained prime attention at a frontier provincial/state level, central governments in Beijing and New Delhi seemed to be lukewarm or even reluctant about quickening that process because of its relevance to their national security and the border disputes. Because of this, the promising win-win formula was kept on the shelf briefly, as a result of prudent strategic calculations. Fortunately, both China and India, along with the other involved nations, have begun to

⁴³ Shehla Raza Hasan, "India-China: Competing development partners," *Asia Times Online*, July 10, 2003, http://www.atimes.com/atimes/South_Asia/EG10Df06.html

⁴⁴ Jin Cheng, "Unofficial Call for 'Kunming Cooperation Organization': BICM," *The Century Economy Report*, Dec. 9, 2003.

realize the need for greater sub-regional trade and economic cooperation.⁴⁵ The re-opening of the Nathula Pass in July 2006 harbingered more progress in this regard.⁴⁶ Moreover, as discussed earlier, the palpable correlation of closer economic links and more reliable politico-security relations has worked. In other words, expanding economic interaction will be a very positive move towards a healthier relationship. And any breakthrough in the border dialogue might, in turn, facilitate the process of trans-regional cooperation.

Apart from trade and economic cooperation, working together to address terrorism and ethnic-religious extremists can be discerned as another potential area of cooperation for China and India. For quite a long time, India has been a victim of terror violence, and that problem has tended to exacerbate since 9/11, bringing India into the limelight of global concern. Beijing has increasingly sensed the emerging threat of terrorism. Both of them show a resolve to meet the challenge by curbing terror activities in their own territories and signing bilateral and multilateral anti-terror agreements with other states. For Beijing, the devastating terrorist scourge in India has not gone unnoticed.⁴⁷ After the 9/11 attacks and with the unfurling of the U.S. "war on terror," Beijing has tended to associate the perceived danger of separatism in Xinjiang with the global rise of terrorism in a larger context.⁴⁸ This assessment helps reconcile what has been perceived with the deadly bombings and killings occurring in India and Russia. While recognizing in principle some controversial rationales underlying extremism, separatism and terrorism as a whole, the requirement to prevent acts of terrorism by separatists makes it natural to compare the troubles in Xinjiang with the bloodsheds in Kashmir, Chechnya or other terror-trodden areas from a roughly uniform perspective. This enables Beijing and New Delhi

⁴⁵ "BCIM members call for greater cooperation," *The Hindu*, April 2, 2006, <http://www.hindu.com/2006/04/02/stories/2006040214761100.htm>

⁴⁶ Reuters, "India, China reopen Silk Road pass," *China Daily*, July 6, 2006, http://www.chinadaily.com.cn/china/2006-07/06/content_634734.htm

⁴⁷ "China condemns terror attacks in India," *Xinhua News*, May 15, 2008, http://news.xinhuanet.com/english/2008-05/15/content_8180036.htm

⁴⁸ Francesco Sisci, "China, US and the new world order," *Asia Times Online*, Sept. 19, 2001, <http://www.atimes.com/china/CI19Ad02.html>

(perhaps joined by other like-minded states) to be serious about the possibility of making bilateral or multilateral arrangements to tackle the problem.

Beijing has noted India's growing interest to accede to the SCO that focuses primarily on efforts to address terrorism, ethno-religious separatism and extremism at a regional level. Indeed, Beijing served a unique role in urging Islamabad to contain the so-called cross-border terrors. As Chinese Prime Minister Zhu Rongji visited India in early 2002, both sides committed themselves to combating terror and held their maiden meeting on anti-terror within the dialogue framework.⁴⁹ A memorandum on anti-terrorism was signed a few years later, clearly defining their common interests in meeting this formidable challenge. In line with the earlier arrangement, agreed in December 2007, Chinese and Indian armies held an unprecedented anti-terror drill and military training in Kunming.⁵⁰ In the foreseeable future, it appears there is no insurmountable barrier for Beijing and New Delhi to conclude a framework agreement on the issue despite several problematic specifics that still need to be sorted out. The formula of cooperation in this respect will include the coordination of divergent approaches toward specific objectives in a phased manner; the sharing of intelligence, techniques and expertise; joint personnel training programs and concerted joint-endavors within multilateral operative frameworks. This also offers a new opportunity for Beijing to address non-traditional security challenges and to contribute to managing conflict in South Asia.

The China–Pakistan Nexus

For decades, the Sino–Pakistani special nexus has proven to be of profound significance. On one hand, China values the generous political and security support it has obtained from Pakistan over the past decades and thinks highly of the importance of bilateral solidarity, which has been tested through diplomatic, economic and strategic maneuvers. A much-cited ex-

⁴⁹ "China, India Vow to Fight Terror," *China Daily*, April 24, 2002.

⁵⁰ "China, India kick off joint anti-terror military training," *Xinhua*, Dec. 21, 2007, http://news.xinhuanet.com/english/2007-12/21/content_7288587.htm

ample of the Sino–Pakistani traditional friendship is Islamabad’s unique bridging role in reshaping Sino–U.S. relations in the early 1970s. This is regarded as part of the contemporary Chinese diplomatic legacies within the region. This episode also made it possible to bring forth a Beijing–Islamabad–Washington strategic axis, which turned out to be vital for Beijing to better its own security surroundings during the Cold War. It is a well-known fact that China has benefited greatly from its links with Islamabad in terms of attaining diplomatic support and solidarity in the Islamic world. This in turn has enabled Beijing to expand its interest areas and strategic clout in the international community. Moreover, Beijing, adding the new dimension of non-traditional security to their “time-tested” partnership, recognizes the importance to Islamabad’s of preventing Xinjiang from becoming increasingly vulnerable to the menace of the “three evils” (roughly defined as separatism, extremism, and terrorism). Beijing has pressed for policy initiatives and treaty commitments in this regard and has been prodded into coordinating its efforts with Islamabad in order to meet the formidable challenge. This significant element of the Sino–Pakistani partnership is repeatedly emphasized in most major bilateral documents and by the leaders in Beijing and Islamabad.

According to Professor John Garver, a Chinese foreign policy specialist, China’s strategic community has always believed that “Indian–Pakistani enmity is India’s albatross in its struggle for global eminence and equivalence with China,”⁵¹ and tends to see a hawkish Pakistan as an indispensable instrument to hamstring India. This argument is probably true in assessing Beijing’s earlier agenda on the subcontinent in view of both the decades-long Beijing–New Delhi distrust following the 1962 border war and Beijing not recognizing its edge in development and strength. Nevertheless, the factors conditioning Beijing’s nexus with Pakistan have become more sophisticated than before. On one hand, from the geopolitical perspective, the reassurance of Beijing–Islamabad links has a geo-strategic rationale, although Beijing avoids making its Islamabad obsession an insurmountable barrier or a diplomatic burden for engaging New Delhi and carrying out a

⁵¹ Garver, *Protracted Contest*, p. 189.

balanced and predictable regional agenda. In truth, keeping secured strategic links with Islamabad provides Beijing a hedge against the uninsured future of its engagement with New Delhi, which is justified by Beijing's lingering perception of the uncertainties in achieving a healthier and less confrontational China–India relationship in the near future. Thus in the context of realpolitik, Pakistan has been of irreplaceable relevance to Beijing's expected advance in leveraging its strategic influence in the region.⁵²

On the other hand, however, Beijing's reassurance of its special strategic ties with Islamabad obviously moves beyond the Indo–Pakistani equation and is driven by a sophisticated consideration of strategic interests. Identified benefits include a guaranteed projection of expanding presence in South and Central Asia as well as the vast arena ranging from the Persian Gulf through the Indian Ocean, imperatives to curb ethnic/religious extremists, and endeavors to enhance the much-discussed energy security dialogues. Beijing, of course, realizes that in the complexity of interests it is probably hard to avoid raising New Delhi's concerns. Beijing has had some reasons to think that India might adapt its mindset and moderate the misgivings concerning Beijing's effort to maintain the strategic nexus with Islamabad following the improving bilateral ties between the Asian giants and the confidence-building measures to date, as well as the ongoing peace process between New Delhi and Islamabad. Given the shifting regional security scenario, as has been argued, Beijing's initiative to maintain China–Pakistan strategic links would be no more based on the need to confront India, but on a larger security interest design.⁵³ The unfolding of Indo–Pakistani bonhomie since 2003 offers Beijing a favorable chance to clarify its approach toward South Asia by redefining the nature of its collaboration with Islamabad in defense and strategic areas.

⁵² Hu Baoming, "Developing Sino-Pak Relations: An Examination of Its Importance," *South Asian Studies Quarterly* (China), No. 1, 2005.

⁵³ Zhang Li, *China's Concerns over the India-Pakistan Conflict and the Sino-Indian Relations*, p. 17.

Problems and Opportunities in an Era of Uncertainty

While continuing to think highly of its special nexus with Pakistan, since the 1990s China has tried to mend its diplomatic fences with India. Beijing's calibrated approach of nurturing balanced ties with both New Delhi and Islamabad receives mixed views in Pakistan. The feedback merits serious consideration in terms of the implications for the prolonged Sino-Pakistani partnership. Top Pakistani officials publicly expressed no surprise about China's rapprochement with India in terms of their mutual development, despite having to monitor any negative effects on Islamabad's relations with Beijing.⁵⁴ Apart from the official moderate reaction, two influential but different views could be easily identified. As one of the views suggests, Pakistan understands Beijing's option of taking a balanced stance by symmetrically forging its relations with New Delhi and Islamabad; namely, while persistently stressing the significance of reinforcing Beijing-Islamabad nexus, Beijing highlights the good neighborly relations with New Delhi. This detached argument tends to regard the readjustment of China's South Asia policy as a rational option based on its larger and more pragmatic considerations, which would not necessarily undermine the very foundation of a China-Pakistan partnership. After all, Islamabad is the only state that Beijing has called an "all-weather" and "time-tested" partner.

According to the other and seemingly less accepted argument, warmer Sino-Indian relations and Beijing's even-handed stance in the South Asian scenario unmistakably indicate a basic shifting of China's approach toward this region and this change is bound to not be in favor of Islamabad. It would almost unavoidably generate negative repercussions and even possibly undercuts the "all weather" Sino-Pakistani partnership. Quite naturally, this has brought about growing grievances and discontent among strategists in Islamabad during the last few years. This escalating concern has rarely been unnoticed by Beijing; hence it is increasingly avoiding making public comments on the partnership. These two views, both understanding and critical, simply outline the fact that there is an urgent necessi-

⁵⁴ "India, China growing relations not surprising: Kasuri," *Rediff News*, Dec. 6, 2006, <http://www.rediff.com/news/2006/dec/06kasuri.htm>

ty for Beijing to explore how to maintain and consolidate China–Pakistan linkages in a shifting strategic climate. Fortunately, this sober thought also begins to be shared and endorsed by Pakistani strategists.

Apart from geo-political imperatives, Beijing has realized the necessity to respond to some striking changes that have loomed large in the regional security setting in the wake of 9/11 terror attacks. The central one is the global focus on South Asia in targeting terrorism, Islamabad's indispensable role and inextricable dilemma in the special war, and the expanding U.S. security synergies with both Islamabad and New Delhi, driven by different motivations. While endorsing concerted efforts to combat terrorists operating in South Asia and elsewhere and promising its ready cooperation, Beijing has spotted difficulties in fulfilling its commitments. In the first place, there are visible discrepancies in what is perceived as terrorism by Islamabad and New Delhi that has made extremely hard for Beijing to develop a common vision for any significant cooperation. In the days following the 9/11 attacks, Beijing, compared with Washington and New Delhi, showed more understanding of Islamabad's plight in balancing its role of U.S. anti-terror ally with tackling the internal disarray.

But recently Beijing has had growing concerns for the devastating security situation inside Pakistan and has occasionally voiced discontent with increasing terror incidents targeting Chinese nationals in the country.⁵⁵ Moreover, Beijing's strong concern about the "three evils" (extremists and ethnic separatists in particular) has seemed not to totally resonate in Islamabad, perhaps because of the different socio-political milieus. The lethargy of Beijing's growing uneasiness would possibly discount the nature of the bilateral partnership. A preceding example is that the Karakorum Highway linking Pakistan and southern Xinjiang was closed off once in the 1990s by China suspecting its role as a conduit for unchecked Uygur separatists' flows and sending a warning signal to Islamabad to accommodate Beijing's concern.⁵⁶ The misgivings continue. Beijing has not concealed its

⁵⁵ "China demands Pakistan to do more to protect its citizens," *The News*, July 9, 2007, <http://www.thenews.com.pk/updates.asp?id=25655>

⁵⁶ Ahmad Faruqi, "China card could yet trump Musharraf," *Asia Times Online*, May 25, 2002, <http://www.atimes.com/ind-pak/DE25Df02.html>

suspicion of Washington's hidden agenda to forge a trans-regional security grouping involving Pakistan, Afghanistan, and possibly part of Central Asia under the banner of combating terrorism, but potentially, ultimately, aimed at China.⁵⁷ Despite all of this, as analysts have observed, Beijing has cautiously avoided showing solidarity with New Delhi in making coordinated endeavors to curb the jihadist militancy so as not to invoke complaints from Islamabad despite the shared sense of urgency in grappling with ethnic-religious threats in Xinjiang and Kashmir. Beijing's reservations about these sensitive issues have scarcely gone unnoticed.⁵⁸ In this context, understandably, the depth and scale of Sino-Pakistani cooperation and Sino-Indian engagements in the uncertain regional scenario would have to be limited.

Nevertheless, some new developments have potentially enhanced the security interaction between Beijing, Islamabad and New Delhi within tri-party or multiparty frameworks and they promise some encouraging moves in the right direction. The phased enforcement of building mutual confidence between China and India and the reassured China-Pakistan partnership, offer Beijing a chance to facilitate South Asia's peace process. Instead of refraining from encouraging Pakistan to challenge India, China has tried to persuade India to take responsibility for regional peace and stability and argues that the recognition of India's rising status would be conditional on its performance in South Asia, especially its willingness, credibility and capacity to peacefully co-exist with Pakistan.⁵⁹ On India's part, China's positive role in a conceived South Asian Free Trade Zone has been envisioned. It has been noticed that India is interested in a tentative tripartite "common nuclear doctrine" (India, Pakistan and China), despite there being no likelihood of a positive report from Beijing on this matter at

⁵⁷ Li Qing, "The Geographical Conflicts in Asia: A Half-Century Glance," <http://www.defence.org.cn/article-13-31844.html>, Sept. 27, 2005

⁵⁸ Panda, "India and China on parade."

⁵⁹ Zhao Gancheng, "South Asian Scenarios: Trends and Implications," in Lu Xiaokun, ed., *South Asia Report, 2004-2005* (Kunming: Yunnan University Press, 2005), pp. 275-6.

present.⁶⁰ There has been impressive rhetoric in India about the benefits of involving China in a progressing Iran–Pakistan–India natural gas pipeline project.

Perhaps more significantly, the entry of Pakistan, India and Iran into the SCO as observer members in 2005, actually provides a new channel to augment strategic interactions between the South Asian players and the cross-regional arrangement predominated by China and Russia. And as a meaningful indication, Beijing has expressly announced its conditional understanding and endorsement of New Delhi's desperate need to lift the prolonged global ban on civilian nuclear trade, and at the same time, has requested Islamabad's equal right to meet its energy challenge through a paralleled global arrangement. Beijing seems to believe that a symmetrical institutional treatment of the two nuclear-capable South Asian states would be helpful for both the balance of capabilities in the Subcontinent and a healthy transformation of the non-proliferation regime.

There should be an identifiable correlation between the improved South Asian strategic climate and China's initiative to adapt to the emerging setting. There are also major areas of overlapping interests and shared perceptions of China and Pakistan. If the progress of the peace process in the Subcontinent can further promote the improvement of Sino–Indian relations while maintaining Beijing's special nexus with Pakistan, Beijing might feel fewer misgivings about its all-embracing partnership with Islamabad. In the evolving circumstances of Indo–Pakistan rapprochement and Sino–Indian confidence-building, Beijing seems to have reasons to change New Delhi's perceptions of the sustained China–Pakistan strategic ties. Given the recent relatively pleasant climate, to keep the China–Pakistan strategic nexus working and active, at least from China's perspective, is primarily based on larger security and interest considerations rather than simply balancing against India.⁶¹

⁶⁰ AFP, "India sets dovish tone with Pakistan, China in call for nuclear coordination," June 2, 2004, <http://www.spacewar.com/2004/040602090246.lml74psb.html>

⁶¹ Zhang Li, "China and the Kashmir Knot," in Pervaiz Iqbal Cheema and Maqsoodul Hasan Nuri, eds., *The Kashmir Imbroglia: Looking towards the Future* (Islamabad: Islamabad Policy Research Institute, Hanns Seidel Foundation, 2005), p. 117.

Furthermore, the Indo–Pakistani détente enables China to clarify the nature and scope of its collaboration with Islamabad in defense and other strategic areas, thereby discouraging the lingering skepticism and bad-mouthed exaggeration of this sensitive matter. As some Chinese analysts have suggested, to make Sino–Pakistani defense cooperation more transparent has become increasingly necessary and possible in terms of securing the profile of China as a responsible player in the regional scenario, though doing this should not risk undermining Beijing’s historical strategic partnership with Islamabad.⁶²

To Bolster Sino–Pakistan Ties: Security and Economic Dimensions

On a broader basis, there are several security considerations, shared by Beijing and Islamabad, which require their mutual understanding and concerted efforts. First of all, as a result of the pragmatic assessment of the merits of the Sino–Pakistani strategic nexus in the changing context, Beijing will continue to underscore Islamabad’s value in promoting its own security interests. What is even more important is the fact that Islamabad will continue to make use of its geo-strategic assets due to the recognized weight in South Asia, Central Asia and Middle East, especially with its unique status as an influential secular Islamic nation, a frontline state bearing the brunt of the terrorist scourge, and an emerging nuclear power. All of this will enable Islamabad to continue playing a prominent role in regional and broader security arrangements. It is currently believed that Beijing has to take account of all these advantages in designing its security and diplomatic strategy.

Moreover, the 9/11 attacks and their aftermath have offered China a chance to reassess Islamabad’s expanding role in influencing regional stability and order. Beijing has spoken highly of General Musharraf for his challenging mission and daunting efforts in managing the volatile situation. His initiatives and policy measures for targeting extremists within the country as well as the unfailing endeavor to avoid the escalation of tensions

⁶² Shi Wanjun, “Some Constraints on Enhancing Sino-Indian Relations,” *South Asian and Southeastern Asian Studies*, No. 4, 2004.

with New Delhi during the Kargil conflict, and in the 2003 armed standoff, have been praised. Even more importantly, Beijing has become more vocal about its pressing need to expand non-conventional security links with Islamabad in order to effectively control the porous northwestern frontier and sever the operational links between the Uygur separatists in Xinjiang and their sponsors in Pakistan, Afghanistan and Central Asia. Actually, for both Beijing and Islamabad, it has become a point of concern that they have to rigidly enforce the joint border security measures rather than simply highlighting them on paper. The recent joint anti-terror trainings and drills in their bordering areas, albeit on a limited scale, signaled an enhanced consensus to address Beijing's growing concern about the challenge of ethnic separatism.

Sophisticated calculations led Beijing's ruling elite to solidify the existing strategic links with Islamabad through the reassurance of converging interests and identification of overlapping concerns. An interesting observation even suggests that China-Pakistan interaction is always of strategic substance and functional significance, especially in terms of its defense and security dimensions. Although to be one of Beijing's strategic partners is no longer confined to some selected states in the post-Cold war context. Thus it is safe to say that Beijing still sticks to the basic approach that a strategically capable Pakistan remains one of requisites to securing the existing power equation, stabilizing the region and serving its designed strategic objectives, despite the fact that it endorses the ongoing Pakistan-Indian rapprochement and nurtures an amicable relationship with India.

Beijing's need to sustain its special ties with Islamabad also explains why there has, corresponding to the political commitments and strategic reassurance, been highly visible, physical cooperation in the defense and security fields including high-profile military exchange programs, deliveries of defense hardware and expertise, joint development of advanced combat aircraft and hotline consultations on various issues of strategic concern. To upgrade Islamabad's military muscle and deepen the bilateral strategic ties, this trend of defense cooperation will most probably continue in the foreseeable future, although it might be done in a more transparent and discreet way. Beijing's enduring defense links with Islamabad have been a

source of New Delhi's fears and grievances. But it is believed that military cooperation, with its modest depth and scale, should not necessarily spoil the evolving relationship between China with India, given the momentum of the South Asian peace process and Sino-Indian confidence-building measures.

From Beijing's perspective, another important aspect of the existing Sino-Pakistani strategic link must be to remove a perceived fear: other extra-regional powers' manipulation of the regional security climate going against China's security interests. For China, it seems a burgeoning but haunting concern, directly resulting from the perception of the geopolitical shift. To be specific, Beijing has tended to see a substantial U.S. military presence and political preeminence in South Asia and Central Asia as a tremendous strategic threat, if not an immediate one. As widely argued among Chinese analysts, U.S. strategic leverage in this region creates mixed effects and new uncertainties as far as a broader security environment is concerned, despite its significance in deterring terrorism. Targeting the al-Qaeda operatives after the 9/11 attacks offered Washington a rare opportunity to stretch its strategic muscle in Central Asia, the perceived backyard of both China and Russia. Islamabad secured its role as one of the central U.S. allies in the "war on terror."

In general, Beijing recognized the pivotal role of Musharraf in America's counterterrorism agenda in a positive way and endorsed his joining hands with Washington to curb terrorists and extremists in the region. While admitting the need to fight al-Qaeda and Taliban militants, however, Beijing has tended to suspect that U.S. strategic objectives in this part of the globe is an integral part of a broader, well-designed strategy that is aimed, at least partially, to contain China. The uneasiness increased with the Bush administration's unhidden intent to solidify or even perpetuate U.S. strategic presence in Central Asia and Pakistan regardless of the developments inside Afghanistan and the region at large. Obsessed with this unpleasant perception of reality, Beijing has become increasingly aware of the emerging necessity to reduce the likely adverse effects of a Washington-Islamabad partnership on its own interest. This in turn is complicated by enhancing Sino-Pakistani strategic consensus and coordination.

Nevertheless, many in China still believe that the China–Pakistan nexus, compared with the unstable and expedient U.S.–Pakistani ties, is truly time-tested, conflict-free and credible.⁶³ Thus understandably, Beijing has to preclude the possibility of Pakistan being dragged into any U.S.-brokered regional security arrangement aimed against Beijing. There should be a basic consensus between Beijing and Islamabad and, as one Pakistani strategist rightly observes, “neither Pakistan nor China has allowed their friendly relationships to become hostage to any other of their country’s relationships.”⁶⁴ Out of the same consideration, both Beijing and Islamabad have repeatedly assured each other of a shared imperative to upgrade and renew their strategic partnership rather than taking preceding experience of cooperation and solidarity for granted in the transforming scenario.

In the last few decades, the very basis of the Beijing–Islamabad nexus has primarily been shared strategic perceptions and geopolitical interests, in spite of the aid and assistance Pakistan received from China and their limited economic linkage. As part of the Cold War experience in Asia, both countries benefited from this security-centered approach and practice. But a rising economic dimension in present-day global and regional engagements has become a common phenomenon, and there seems to be no exception when Beijing and Islamabad renew their partnership. As mutually recognized, a thriving economic and trade interaction should have a vital bearing on a sustainable and credible China–Pakistan nexus. A distressing fact, however, has still been that the economic and trade ties are the weak links in their boasted partnership that might erode the basis of a strategic solidarity. The problem is serious when compared to the dramatic increase of China–India trade. There are some visible factors responsible for this deficiency, among which are the lack of complementarities and Islamabad’s failure to provide diverse commodities for export. To address the difficulties in bilateral trade during the recent years, Beijing and Islamabad have made

⁶³ Fu Xiaoqiang, “Pakistan’s China Policy in the Post-Cold War Era: Momentums and Realistic Considerations,” *Contemporary Asia-Pacific Studies*, No. 10, 2004.

⁶⁴ Pervaiz Iqbal Cheema, “Strengthening Sino-Pak relations,” *Pakistan Observer* [Islamabad Policy Research Institute], December 24, 2004, <http://ipripak.org/articles/newspapers/strengthening.shtml>

tremendous efforts to expand and diversify their economic and trade engagements in different and creative ways. Some substantial results are expected.

On this front, China–Pakistan trade hit a record US\$6.5 billion in 2007, albeit still below the expected target in terms of the emerging potential opportunity as well as rising deficit on Pakistan’s part.⁶⁵ But more importantly, there are various initiatives taken by the governments as well as business community and other experts in both countries. These help build a firmer cornerstone for partnership, and both sides have explored some promising opportunities to intensify their economic interaction. The governments have been extremely helpful as facilitators in rebuilding the base of the economic, commercial and investment links.

In 2001, Chinese leaders proposed a creative four-point agenda for action aimed at improving the bilateral trade situation and it has worked well in terms of a rising trend of bilateral trade in recent years.⁶⁶ Many more Chinese businessmen have become interested in seeking cooperation and developing joint ventures in Pakistan. For its part, Islamabad has made impressive endeavors to optimize Pakistan’s socio-economic climate to draw FDI from China. The Preferential Trade Agreement and the Early Harvest Agreement were signed in 2005; thereby each other’s market economic status was squarely accepted. With the signature of a bilateral free trade agreement (FTA) in November 2006, hailed as a turning point in trade relations between the two countries,⁶⁷ a phased arrangement to reduce and remove tariffs on imports was launched and Chinese investors are expected to benefit from a chain of preferential arrangements in several Pakistan–China Economic Zones modeled after China’s case. Some sources predicted that China’s trade with Pakistan is expected to hit US\$15 billion by 2012

⁶⁵ Tu Jing, “Sino-Pak. Trade: 2007,” <http://www.jobs.cn/newsInfo/2008-1-28/200812812450012208713.htm>

⁶⁶ “Boost all-weather partnership between China, Pakistan,” *People’s Daily*, April 5, 2005, http://english.peopledaily.com.cn/200504/05/eng20050405_179598.html

⁶⁷ “Interview: Pakistani PM says China is true friend,” *People’s Daily*, April 2, 2005, http://english.peopledaily.com.cn/200504/02/eng20050402_179165.html

with the progress of the FTA.⁶⁸ Moreover, to be significant at both economic and strategic levels, several joint Sino–Pakistani projects have proved an inspiring success, including the Gwadar Port, the Santak Copper Mine, the Chashma Nuclear Power Station and the Kalabagh Dam, all of which have produced demonstrative effects in a positive way. As widely speculated, the significance of the Gwadar project might move beyond its immediate economic domain and serve strategic purposes for both Beijing and Islamabad in terms of Gwadar's geographic access to the Persian Gulf.⁶⁹

The U.S. Factor in the South Asian Context and Implications for China

The role of the United States in the changing South Asian scenario is one of the major parameters that Beijing has to consider in defining its interests and performance in the region. U.S. involvement in the dramatic events in the region in the last several years also offers Beijing a frame of reference to meddle in the conflicts and crises in the subcontinent. The U.S. South Asia agenda is based on complicated assessments of various factors at different levels and different timeframes. There are identifiable marks of the post-Cold War developments and the aftermath of 9/11 events and different facets of that agenda sometimes become contradictory or even conflicting. The incoherence and elaborated malleability is visibly reflected in China's dealing with India and Pakistan, two major regional powers in the subcontinent.

For decades, Washington and New Delhi distanced themselves from each other as a result of India's diplomatic non-alignment and subsequent close Indo–Soviet links. The uncomfortable relations between the so-called estranged democracies became part of the Cold War legacy. The end of the Cold War changed the strategic landscape in the region, and both New Delhi and Washington began to adapt their policy to the shifting context. But a sea change did not come until 2000 when President Bill Clinton vi-

⁶⁸ "Pakistan's trade with China to treble in five years," *Hong Kong News Net*, April 19, 2007, <http://www.hongkongnews.net/story/242736>

⁶⁹ Sudha Ramachandran, "China's pearl in Pakistan's waters," *Asia Times Online*, March 4, 2005, http://www.atimes.com/atimes/south_asia/gc04df06.html

sited India and both sides realized a pressing need to escalate the level of engagement and interaction in a more substantive and positive way. Since then, Indo–U.S. relations have begun to gather momentum. In particular, the strategic dimension of the emerging bilateral partnership has made such headway that it has become one of the global focuses in terms of India’s rising on the world stage and of U.S. strategic calculations in Asia. Despite endless debates and doubts among Americans about India’s eligibility to be a major power⁷⁰, U.S. strategic needs in Asia necessitate an innovative strategic nexus with India.

Despite other elaborated connotations for both sides, the forging of the New Delhi–Washington security nexus is often driven by the shared preoccupation with the “China threat.” Beijing has noticed that there is a strong argument among U.S. political and strategic circles for curbing China’s rise by developing a substantial partnership with a “democratic and increasingly powerful” India.⁷¹ The anti-China rhetoric in Washington has been echoed in New Delhi where some political sections and strategists have habitually sensed China as a major security threat and have advocated engaging Beijing in cultivating a security partnership.⁷² The South Asia expert Stephen P. Cohen at the Brookings Institute argues that convincing evidence indicates that “the Bush administration saw India as a “balancer” of China, even after radical Islamist terrorism became America’s number one foreign policy priority after 9/11.”⁷³ It is widely noted that the hawks in both Washington and New Delhi have articulated a shared idea of strategically containing Beijing, which has been epitomized by the sustainable stra-

⁷⁰ See George Perkovich, “Is India a Major Power?” *The Washington Quarterly*, Vol. 27, No. 1, Winter 2003/4, pp. 129–44.

⁷¹ Lloyd Macauley Richardson, “Now, Play the India Card,” *Policy Review* [Hoover Institution, Stanford University] No. 115, October–November 2002, <http://www.hoover.org/publications/policyreview/3459266.html>

⁷² Mohan Malik, “China’s Southern Discomfort,” *Asia Times Online*, July 11, 2002, http://www.atimes.com/atimes/South_Asia/DG11Df02.html

⁷³ Stephen P. Cohen, “The US and South Asia” [a shortened and revised version of a chapter in the Asia Foundation study, *America’s Role in Asia*, Asia Foundation, San Francisco, 2004] <http://www.india-seminar.com/2005/545/545%20stephen%20p.%20cohen1.htm>

tegic dialogues and consultations between the two sides over the past several years. These engagements have, with few exceptions, highlighted their shared concern about the implications brought about by an ascending China.

However, the emerging on-the-ground reality turns out to be much more complicated than a cemented U.S.–Indian coalition aimed to contain China. New Delhi has faced two basic options from which to choose, as far as its approach to China is concerned. One is to hop onto the U.S. led-bandwagon, tying its own strategic calculus to U.S. requirements and launching a coordinated crusading campaign against Beijing; and the other stands to follow an independent, pragmatic and goodwill China policy and distance itself from the unilateral Asia and Pacific design of the United States. Indeed, these two choices, with their pros and cons, have been under vociferous debate and serious assessment within India.⁷⁴

As Beijing has observed, both Washington and New Delhi see the prospect of a Chinese dominated Asia both unpalatable and threatening. The Bush administration regarded Beijing as the major challenger in the Asia and Pacific region, and tended to take a tough policy toward it. India increasingly fears a rising China's capabilities, seeing it as the biggest strategic threat to India's interests. But pragmatic and balanced considerations have required New Delhi to recognize that stable and healthy ties with China are a core diplomatic necessity, despite the fact that many in India believe that there stands an enduring conflict of national interests between the two Asian powers. A cautious weighing of its long-term mix of interests tends to cause India to refrain from participating in any U.S.-led strategic containment of Beijing.⁷⁵ Compared with the major sources of threats to security that Beijing has perceived, India tends to be ignored, at times in a strategic sense, primarily because many in China believe India cannot possibly pose a grave challenge in the near future.⁷⁶ As previously argued,

⁷⁴ V. Sudarshan, "Spinoff Advantage," *Outlook India*, April 23, 2002

⁷⁵ P. S. Suryanarayana, "India may not join US against China," *The Hindu*, May 4, 2005, <http://www.hindu.com/2005/05/04/stories/2005050407311200.htm>

⁷⁶ Justin Sommers, "The India-China Relationship: What the United States Needs to Know," in *Conference Report* (Washington, D.C.: Asia Society and Woodrow

however, China might make a quite different judgment of India's strategic relevance if envisaging the emerging reality of the deepening Indo-U.S. strategic partnership.⁷⁷ Consequently, another option for Beijing to prevent India from joining Washington in containing China is for Beijing to cultivate a closer relationship with New Delhi.⁷⁸

On the other hand, the evolving India-U.S. relations have to be subject to Washington's equation with Beijing. As Beijing becomes more confident about the expanding mutual interests in its relations with the United States, ranging from political and economic interdependency to security cooperation, at both the global and regional levels, the scale and intensity of the interaction continues to increase. And as widely expected, China's impressive and sustainable economic growth and the dynamic progress of Sino-U.S. trading partnerships will further bolster the political and strategic links between Washington and Beijing in the future. Moreover, China and the United States are among the permanent members of the UN Security Council and the regime-recognized nuclear states with the relevance of shared stakes in managing global affairs, including nuclear proliferation, some of which is believed to go against India's own interests.⁷⁹ One convincing example is that President Bill Clinton, during his visit to China in 1998, proposed a U.S.-Chinese joint initiative to stop the process of South Asian nuclearization. In view of all of this, New Delhi seems unable to be assured of the nature and degree of its involvement in the unfinished alignment of

Wilson Center, 2001), pp. 15-16. Another significant research on China's strategic perceptions of India and Indo-U.S. relations is Shaun Randol's "How to Approach the Elephant: Chinese Perceptions of India in the Twenty-first Century," *Asian Affairs*, Vol. 34, No. 4, Winter 2008, April 2008, pp. 211-26, which is based on a series of interviews of Chinese experts on South Asia by the author.

⁷⁷ See Zhang Guihong, "U.S.-India Security Relations: Implications for China," *Strategic Analysis*, April-June 2003.

⁷⁸ Rollie Lal, *China's Economic and Political Impact on South Asia*, Testimony presented to the Commission on U.S.-China Economic and Security Review on December 4, 2003, Rand Corporation Testimony Series (Santa Monica, CA: RAND Corporation, 2003), p. 3.

⁷⁹ C. Raja Mohan, "India's Relations with the Great Powers: Need for Reorientation," in Jasjit Singh, ed., *Asian Security in the 21st Century* (New Delhi: Knowledge World in association with Institute for Defence Studies and Analyses, 1999), p. 85.

powers. This makes it difficult for the Indian policymakers to make a clear and decisive choice.⁸⁰

Nevertheless, Beijing's increasing concern of the expanding U.S.–Indian strategic nexus and its belief that the enhanced interaction, or even the exchange of suggestive rhetoric between them, would create profound implications for China. For Beijing, the promise made by the Bush administration in its second term that it would “help India become a major world power in the twenty-first century⁸¹” was also unmistakably an indication that it was interested in neutralizing China's aspiration to be a powerful global power. Perhaps even more importantly, U.S. effort to woo India has become a part of its well-devised strategic agenda, to draw New Delhi into a broader and exclusive regional security arrangement from which China would have to be excluded. Given the prevailing mood of strategic suspicion, the seemingly purposeful playing-up by Washington and New Delhi of their sharing of “democratic values” has added to Beijing's concern. Some strategists in India and the United States have begun to go so far as to talk about the necessity of forging an Asian version of NATO led by Washington and New Delhi.⁸² The authenticity of this kind of proposition has yet to be confirmed, but one scarcely doubts that both the United States and India have been devoted to institutionalize such defense and security cooperation and strategic engagements.

U.S. efforts to augment its strategic clout in South Asia, by stepping up security and defense interaction with India, have made apparent strides. One of the efforts to attempt to transform security relations between Washington and New Delhi was the initiation of the Next Step Strategic Partnership (NSSP), covering broad areas of cooperation from high technology

⁸⁰ Rajeswari Pillai Ralagopalan, “Indo-US Relations in the Bush Administration,” *Strategic Analysis*, July 2001.

⁸¹ U.S. Department of State, “Background Briefing by Administration Officials on U.S.-South Asia Relations,” March 25, 2005, <http://www.state.gov/r/pa/prs/ps/2005/43853.htm>; for an analytical examination of the implications of the U.S. commitment, see Ashley J. Tellis, *India as A New Global Power: An Action Agenda for the United States*, Carnegie Endowment for International Peace, 2005.

⁸² Martin Walker, “U.S. and India Consider ‘Asian NATO’,” *UPI*, May 29, 2003, <http://www.pakdef.info/forum/showthread.php?t=4135>

trade, missile defense, concerted military maneuver and training, counter-terrorism, to non-proliferation. Following the onset of NSSP, India and the United States signed the Defense Framework Agreement in June 2005 that is regarded as an important document defining their respective obligations to strategic cooperation if a need arises or it is in their interests to do so. New Delhi later denied it being tantamount to a military alliance.⁸³

As generally believed, Indo–American strategic understanding culminated in reaching the agreement of civilian nuclear cooperation in July 2005, and its follow-up developments were unveiled during the visit of George W. Bush to India in March 2006 and the issuance of the agreed-upon text of the Indo–U.S. Agreement for Peaceful Uses of Atomic Energy (“123 Agreement”) in August 2007. The White House claimed that the deal was designed to both help India address its energy bottleneck and preserve the principles of non-proliferation by finding a place for India in the global nuclear regime. But the accord turns out to be highly controversial because of the exceptional treatment of India through major compromises, compared to the tough stance Washington has held toward Tehran and Pyongyang for their nuclear programs. In India, the key controversy was about the likely adverse effects on India’s sovereignty and strategic autonomy, which caused political turmoil and eventually forced New Delhi to announce the freezing of the agreed deal in October 2007.

On the other side of the coin, it seems hard for India to always feel comfortable in its relations with the United States. New Delhi has frequently expressed its disappointments because Washington declined to show favor toward it when dealing with the tricky problem of Indo–Pakistani relations. For instance, New Delhi reacted negatively when the United States declared Pakistan to be one of its major non-NATO allies (MNNA) without a prior announcement.⁸⁴ Similarly, India has been extremely unhappy and

⁸³ L. Venkateshwaran, “Indo-US Relations: Recent Developments,” *IPCS Special Report 19*, May 2006, www.energiasportal.com/download/386/

⁸⁴ “Pakistan designated ‘Major non-NATO ally,’” *Pakistan Times*, June 17, 2004, <http://pakistanimes.net/2004/06/17/top1.htm>. Apart from Pakistan, among the U.S. MNNA are Argentine, Australia, Bahrain, Egypt, Israel, Jordan, Japan, Kuwait, Morocco, New Zealand, the Philippines, Korea, and Thailand. The MNNA

fearful about the generous deliveries of military hardware Islamabad has received from Washington.⁸⁵ Moreover, as observers have noticed, the price India has to pay for its close relations with the United States also makes its diplomacy with other nations increasingly vulnerable to pressure. Recent telltale examples include New Delhi's dilemma in reluctantly supporting Washington in the IAEA to punish Iran⁸⁶ and its hesitancy in moving forward with the gas pipeline project signed with Tehran and Islamabad. It is believed that this project would greatly benefit India's energy security.

Another significant manifestation of U.S. strategic involvement in South Asia is its unprecedented "war on terror" focused in Afghanistan. Since the terrorist attacks on the Twin Towers and the Pentagon, Islamabad has stood on the frontline of the campaign against al-Qaeda and the Taliban, and played an indispensable role due to its tangled association with the regimes in Kabul and geographic accessibility. With the unfolding of Operation Enduring Freedom, the Bush administration established its substantial military presence in the region by sending troops to fight the al-Qaeda and Taliban operatives. To secure the essential cooperation from the Musharraf government, the United States has provided Islamabad with billions of dollars for military assistance and economic aid. Roughly for the same purpose, the Bush administration refused New Delhi's request for designating Pakistan as a terror-sponsor state⁸⁷ and stuck to a balancing stance in the troublesome standoff between the South Asian nations. The United States also moderated its declared interest in support of the process of democratization in Pakistan in order to reinforce Musharraf's political authority in dealing with terrorists and fundamentalists. However, the United States has a mixed assessment of Islamabad's performance and many in Washing-

states enjoy preference for acquiring foreign aid and undertaking defense cooperation.

⁸⁵ Sumit Ganguly, "Pakistan as a U.S. ally," *The Hindu*, April 9, 2004, <http://www.hindu.com/2004/04/09/stories/2004040900781000.htm>

⁸⁶ Centre for Research on Globalization, "Evidence of US coercion of IAEA members against Iran revealed," March 1, 2007, <http://www.globalresearch.ca/index.php?context=viewArticle&code=20070301&articleId=4970>

⁸⁷ K. K. Katyal, "The Anglo-U.S. agenda for Kashmir," *The Hindu*, July, 2002, <http://www.hindu.com/2002/07/22/stories/2002072202681200.htm>

ton, including some influential legislators and intelligence officials, have become increasingly dissatisfied with Musharraf for failing to help bring a decisive victory, although Islamabad has believed that it indeed has done much and will pay a huge cost for it.

The accumulated complaints from both Washington and Islamabad in terms of their anti-terror cooperation have some reasons to be understood from alternate perspectives but seem difficult to reconcile. Over the last few years, as many analysts have argued, the U.S. agenda on terrorism has taken a severe setback as a result of the return of al-Qaeda, the spreading of newly-labeled Taliban that have formidably endangered NATO operations, the fragile Karzai regime in Afghanistan and even America's homeland security. Islamabad's inability to effectively block the porous Pakistan-Afghan border is believed to be responsible, to a great extent, for this resurgent challenge. There are growing voices within the U.S. Congress and government agencies are asking to link the results of Islamabad's anti-terror endeavor to American assistance and aid, proposing a direct involvement of military operations on Pakistan soil.⁸⁸

But for Pakistan, to offer support and cooperation in the U.S.-led war on terror has been a major source of internal turmoil and disorder. There has been popular opposition to Musharraf's policy of cooperating with the Americans; the mounting suspicion over the legitimacy of U.S. anti-terror war, and fierce grievances against himself. Perhaps what is more devastating is that the country has suffered a renewed wave of suicide attacks and a reemergence of the uncontrollable situation in its northwest Pushtun tribal areas bordering Afghanistan in 2007. As an updated development in this regard, Washington seems not to endorse the newly elected Gilani govern-

⁸⁸ Glenn Kessler, "Congress Sets Limits on Aid to Pakistan," *Washington Post*, Dec. 20, 2007, <http://www.washingtonpost.com/wp-dyn/content/article/2007/12/19/AR2007121902502.html>; M. K. Bhadrakumar, "A change of US plan for Pakistan," *Asia Times Online*, July 25, 2007, http://www.atimes.com/atimes/South_Asia/IG25Df01.html

ment's attempt to pacify extremists and sympathizers of al-Qaeda and the Taliban in the tribal areas through dialogue.⁸⁹

Certainly, the growing differences between Americans and Pakistanis in dealing with the enduring challenge of terrorism and extremism will produce profound impacts on the U.S. anti-terror agenda at large and the existing strategic connection between Washington and Islamabad. The emerging trend indicates that, on one hand, Islamabad will have to address the problem of terrorism in its own way based on its complicated internal parameters and reconcile the efforts to target terrorists with the necessity to restore order and stability domestically. On the other hand, Washington has to find a balance point between its pressing mission to combat terrorism and several pragmatic considerations such as how to secure the survival of the Pakistani government that has been confronting internal turmoil and insurgency as a result of its support for the U.S. war in Afghanistan. The U.S. approach requires some patience to make this trans-border campaign a genuine success.

Nevertheless, the issue of terrorism is by no means the only substantive U.S. strategic interaction with Pakistan. Apart from the uneasy cooperation to combat terror suspects, the Washington nexus with Islamabad revolves around several other major issues of concern: Pakistan's crisis-prone relations with India, its dubious nuclear security and the U.S. calibrated effort to bring its governance into the orbit of democracy. There are identifiable correlations between different elements that interplay and, at times, become mutually conflicting.

In the first place, Washington has increasingly found itself in an awkward predicament in unraveling the knot of Indo-Pakistani relations. After the 9/11 events, both New Delhi and Islamabad came to be U.S. anti-terror allies, and the renewed tensions between the two South Asian rivals following the terrorist attack on the Indian Parliament in December 2001 got the United States deeply involved in an endless wrangle between both sides. In

⁸⁹ Iftikhar Ahman, "US aversion to peace talks," *The Nations*, June 3, 2008, <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/Opinions/Columns/04-Jun-2008/US-aversion-to-peace-talks>

such circumstances, as Stephen Philip Cohen argues, the aim of U.S. diplomatic efforts was “to avert an India Pakistan conflict while assuring the cooperation of each state in America’s war on terrorism,” but the situation became intolerable for the United States in terms of their clashing interests and claims as well as the exploitation of America’s concern.⁹⁰

New Delhi accused Islamabad of supporting, instigating, and sponsoring the Kashmir-based terrorists and urged the Bush administration to pressure Musharraf to stop the “cross-border terrorism.” India also threatened to launch a preemptive strike at the infrastructure of militants on Pakistan’s soil if the requests failed to be met. Islamabad, for its part, declared it would not abandon its commitment to support the “struggle for freedom” inside Kashmir although Musharraf adopted tough measures toward the extremists within Pakistan.

Unlike India, the U.S. government tended to see Musharraf’s role in defusing the tensions between New Delhi and Islamabad differently. Washington insisted that Pakistan was a victim of terrorism and a solution to the problem and disparaged New Delhi for its ultimatum to Pakistan. Apart from minding Islamabad’s key role in the war on terror, the Bush administration showed some kind of accommodation of the Pakistan leader’s resolve to address the Kashmir dispute and neutralize India’s strategic thrust in the subcontinent and Afghanistan. Even more challenging for the United States, the escalating Indo–Pakistani armed standoff along the Line of Control (LoC) in 2002 increased the risk for a dangerous nuclear conflict. Walking the tightrope at both ends of the New Delhi–Islamabad equation, Washington has found it extremely difficult to bring them together to serve a common cause.

Washington tends to see Pakistan’s nuclear assets as an unaffordable source of danger, and doubts Islamabad’s ability to properly manage its rudimentary nuclear facilities. There is a lingering fear of Pakistan’s nuclear weapons falling into the hands of terrorist groups and unauthorized transferring of nuclear devices as a result of failing centralized control. This

⁹⁰ Stephen Philip Cohen, “Kashmir: Another Fifty Years of Nothing?” in Pervaiz Iqbal Cheema, ed., *Pak-US Strategic Dialogue: Political and Diplomatic Dimensions* (Islamabad: Islamabad Policy Research Institute, 2003), pp. 15–17.

growing concern has even brought a serious debate in the United States regarding both the necessity and feasibility of taking over Pakistan's nuclear hardware through a commando operation, albeit this was eventually overruled for political reasons. At least from the U.S. perspective, the fear seemed not to be an exaggerated reaction in terms of the intensity of extremist conduct and the unchecked turmoil within Pakistan. Moreover, policymakers and legislators in the United States have had growing concerns about the problematic record of Pakistan's nuclear-related transfers and have sought to clarify facts about the case of Abdul Qadir Khan who, lauded as the father of Pakistan's nuclear bomb, was accused of being responsible for illicit sales of nuclear-related material and technology to Iran, Libya and North Korea.⁹¹ The serious concern about Pakistan's nuclear security makes it necessary for Washington to keep an eye on Islamabad in this regard. This will continue regardless of the latter's willingness.

The U.S. expanding involvement in South Asia creates a number of implications for China. First, the deepened American engagements with India enhance Beijing's concern about an unfavorable shift in the balance of power in the region, and the likelihood of the emergence of a *de facto* alliance directed against China on a broader geographic scale. This fear made it almost impossible for Beijing to offer proactive feedback on any significant progress of U.S.–Indian relations such as India's civilian nuclear deal with the United States. Next, Beijing has felt uneasy about a reinforced U.S. presence and clout in South Asia and Central Asia accompanied by the “war on terror,” despite its endorsement of Washington's effort to target terrorists. As widely believed, U.S. strategic access to these areas poses an unacceptable threat to China's long-term security interests. This helps explain the fact that Beijing, along with Russia, set a timeframe for U.S. forces to withdraw

⁹¹ “A Q Khan's proliferation chapter not yet closed: US,” *The Times of India*, Oct. 4, 2006, <http://www.timesofindia.indiatimes.com/articleshow/2089393.cms>. For more detailed recommendations of the U.S. government regarding the issue, see U.S. Department of State, Bureau of Nonproliferation, “United States Initiatives to Prevent Proliferation,” May 2, 2005, <http://www.state.gov/t/isn/rls/other/45456.htm>

from the bases in Kyrgyzstan in 2005.⁹² In a positive sense, Beijing has advocated U.S. endeavors to target terrorists and extremists in the region and to block any possible risks of a nuclear conflict between India and Pakistan or any unexpected passing of nuclear weapons into the wrong hands. The shared concerns over these sensitive issues provide them with the opportunity to cooperate in different ways in the future.

⁹² Mark Sappenfield, "Pentagon stirs tensions in foreign base shuffle," *The Christian Science Monitor*, Aug. 1, 2005, <http://www.csmonitor.com/2005/0801/p02s01-usmi.html>

China and South Asia's Conflicts and Peace: Case Studies

Case I: China's Role in Managing Indo-Pakistani Conflicts

1999 Kargil Conflict

The Indo-Pakistani armed clash at Kargil in 1999 greatly raised the concern of the international community because of the emerging reality that it became a tit-for-tat enmity between the two newly nuclear-capable countries. The confrontation also offered a rare chance to closely observe Beijing's shifting approach to, and its tentative clout in, the subcontinent.

There was a severe setback to Sino-Indian relations in the wake of India's nuclear tests in May 1998. The diplomatic crisis was set off, for Beijing, by not merely New Delhi's understandable aspiration to develop its nuclear capability, but also, more offensively, the rationale of seeing China as its major strategic threat. It turned out to be painstaking work for both governments to bring their fragile ties back to normal during the following months. However, Beijing sensibly captured the sign of a warming in India's ties with Pakistan in early 1999 and decided to make proper use of the looming opportunity to look after its relationship with New Delhi and mark a point in the shifting India-Pakistan equation. In February 1999, New Delhi and Islamabad initiated the spectacular "bus diplomacy." Vajpayee took a bus to Pakistan, signing the Lahore Declaration with Nawaz Sharif aimed at establishing peaceful relations between the two countries. Realizing the delicate relevance of its South Asia policy and the nexus between New Delhi and Islamabad, and also sensing that the attempt of reconciliation in South Asia would help save its nosedived relations with New Delhi after the nuclear tests, Beijing was timely in its praise for the proactive interaction between the South Asian leaders.⁹³

⁹³ Zhao Weiwen, *India-China Relations: A Full Record* (Beijing: Global Affairs Press, 2000), pp. 396–7.

But the promised rapprochement never came as the fragile hope of peace was quickly dashed by the Kargil conflict. The major clash was triggered by unchecked armed infiltrations from Pakistan territory and constant skirmishes along the LoC. With the crisis fast approaching, Beijing noticed that the troublesome New Delhi–Islamabad ties continued to function as a key factor in defining China’s interaction with South Asia. During the month of May 1999, when the military operation was already underway, Pervaz Musharraf, then Pakistan’s Army Chief, (to be the Chief Administrator through a coup in October and later the President) visited Beijing in order to secure military aid. While ensuring the Sino–Pakistan military cooperation as an invariably essential part of the strategic partnership, General Fu Quanyou, his Chinese counterpart, told Musharraf that China would be satisfied to see the two South Asian neighbors peacefully resolve the dispute through patient and sincere dialogue.⁹⁴ Weeks later, Li Peng, Chairman of the Standing Committee of the National People’s Congress (China’s top legislative body) voiced a similar opinion when meeting the visiting Pakistani Foreign Minister Sartaj Aziz. According to him, both India and Pakistan ought to exercise restraint and settle the conflict in a peaceful way. Finally, on behalf of the Chinese government, Foreign Minister Tang Jiaxuan argued that Beijing expected both sides to find a political settlement to the unfolding crisis and mutually prevent escalation of the conflict. Interestingly, an official spokesman in Beijing, evading a direct comment on Beijing’s stance on the ongoing conflict in Kashmir, informed a press conference that the upcoming tour of Indian Foreign Minister Jaswant Singh would help to improve Sino–Indian relations.

Jaswant Singh’s Beijing visit in 1999 was a matter of diplomatic attention and roused various speculations, perhaps due to the sensitivity of the timing. Indian analysts set an upbeat tone for his journey, arguing that the visit was timed at a critical juncture where Beijing was reorienting its diplomatic strategy and South Asia policy. They reported that China had begun to recognize the contribution India could make to the new global order, and had

⁹⁴ “Gen. Fu talks with Pak Army Chief Musharraf,” *People’s Daily*, May 26, 1999.

shifted their stance to neutral in the Kargil conflict.⁹⁵ The media claimed that Sino–Indian relations had come to a key phase, thanks to China’s balanced position in the Indo–Pakistani conflict.⁹⁶ Obviously, Beijing’s even-handed stance dispelled New Delhi’s fear that China supported Pakistan in a substantial way.⁹⁷

Singh’s tour in Beijing received high-profile media coverage that highlighted various facets of the bilateral relations and their shared perceptions of global issues. The official news seemed to ignore what was happening in Kashmir. Singh told the Indian media that the conflict in Kargil was not a major subject of talks in China and Beijing showed no intent to act as a “mediator” between India and Pakistan.⁹⁸ As widely believed, however, Beijing expressed some understanding of India’s posturing over the conflict. Without perceptible change, Beijing’s neutral approach lasted through the entire event, constantly calling for the clashing sides to reciprocally respect the sanctity of the LoC, and resume peaceful dialogue under the framework of the Lahore Declaration. Meanwhile, Beijing repeatedly warned that the escalating confrontation in Kargil might risk intervention by the West and, thus, an early ceasefire would surely be in the interest of both New Delhi and Islamabad. In view of the different agendas and the conduct of Islamabad and New Delhi concerning the LoC, Beijing’s measured approach signified its endorsement of maintaining the status quo rather than any unilateral and coercive alteration as far as the origins of the conflict were concerned.

Over the several months when the conflict progressed (especially in the tension-filled months of May and June), both New Delhi and Islamabad made every effort to solicit international sympathy and support for their

⁹⁵ C. Raja Mohan, “China trip for normalizing the relations,” *The Hindu*, June 14, 1999.

⁹⁶ F. Kejawala, “China-India relations into a key phase,” *The Hindu*, June 15, 1999.

⁹⁷ John W. Garver, “The Restoration of Sino-Indian Comity Following India’s Nuclear Tests,” *The China Quarterly*, No. 168, Dec. 2001, pp. 865–89.

⁹⁸ Alka Acharya, “India-China Relations: An Overview,” in Kanti Bajpai and Amitabh Mattoo, *The Peacock and the Dragon: India-China Relations in the 21st Century* (New Delhi: Har-Anand Publications, 2000), p. 468.

respective causes. India requested that the international community condemn Pakistan's provocation and invasion across the LoC; Pakistan publicly sought global support for Kashmir's formal secession from India. In late June, Pakistani Prime Minister Nawaz Sharif visited Beijing, trying to persuade Chinese policymakers to bolster his position in the Kargil incident. He made clear the need for Beijing's unqualified support of Islamabad's agenda for a comprehensive settlement of the Kashmir issue. But Beijing insisted on addressing the conflict through the channel of bilateral negotiation. The signals that Chinese leaders sent to both Jaswant Singh and Nawaz Sharif turned out to be coherent and unmistakable – the necessity of resolving the emerging confrontation by means of sincere negotiation rather than an armed showdown.

Fathoming the sense of Beijing's official statement and talks to the visiting Sharif, India became acutely aware of the nuance in China's proclamation. As India sensed, that Beijing offered an impartial reaction should be attributed to its increasing uneasiness about the worsening crisis between India and Pakistan, both of which now possessed nuclear capabilities. Sending the same message to New Delhi and Islamabad, Beijing indicated that peaceful diplomacy would be the channel to seek a reasonable solution to the Kashmir dispute as a whole. The Chinese leaders even candidly told Sharif that Islamabad had to understand the limits of Beijing's choices under such circumstances.⁹⁹ Beijing also echoed the G-8 Cologne Summit Statement (June 18, 1999) on the Indo-Pakistani conflict in Kargil by recognizing New Delhi's restraint from escalating the conflict and pressing Islamabad to withdraw the troops from the LoC and settle the dispute in peaceful ways.¹⁰⁰ Even the Indian media was convinced that Beijing's even-handed dealing in the rivalry served as an immediate stimulant for the Clinton-Sharif statement signed on July 4, under which Islamabad was forced to pull out its troops from the LoC, eventually bringing the armed clash to an end.¹⁰¹

⁹⁹ C. Raja Mohan, "China keeps cautious neutrality?" *The Hindu*, July 1, 1999.

¹⁰⁰ "Kargil War," Wikipedia, http://en.wikipedia.org/wiki/Kargil_War

¹⁰¹ Swaran Singh, *Chinese-South Asia: Issues, Equations, Policies* (New Delhi: Lancer Books, 2003, p. 153.

Over the years, India has become quite susceptible and responsive to China's approach to Kashmir and the India–Pakistan engagements. On one hand, India is preoccupied with the so-called “all weather” China–Pakistan link and highly critical of strategic overtones between Beijing and Islamabad, probably directed against India. On the other hand, however, New Delhi is interested in decoding any subtle shift of the Chinese diplomatic discourse in that context. Quite naturally, therefore, Indian analysts believed that the fact that Islamabad failed to secure a clear-cut solidarity statement from Beijing during the Kargil conflict marked a significant alteration of China's perception of Kashmir; and that Beijing's even-handed stance was obviously in favor of India.¹⁰² Indeed, in the aftermath of India's nuclear tests in May 1998, Beijing reiterated, at least occasionally, the UN formula that endorses a plebiscite-based political future in Kashmir as a whole, which was regarded by India as totally unacceptable. But only one year later, Beijing changed its tune to stress the unique significance of maintaining the LoC. The difference was too visible to be ignored. For India, a telltale signal seemed that Beijing, while promising not to hamstring its time-tested partnership with Islamabad, decided to seek to seriously mend its political fences with New Delhi.

China's elaborately balanced position in the subcontinent was, no doubt, a risk-inviting but deserving attempt to mediate in the ongoing conflict as a non-partisan third country. In the experience of China–Pakistan–India trilateral interaction, so long as Beijing did not explicitly support Islamabad, India might tend to consider it a positive and friendly signal. During the conflict in Kargil, as Indian sources believed, Beijing's neutral stance represented a principle of fairness and justice, reflecting its willingness to cultivate a closer and more constructive relationship despite the unsettled boundary disputes between them.¹⁰³ Some analysts in India even argued that Beijing's detached policy in Kargil enhanced its credibility as an Asian great power and increased relevance of its enduring engagement with In-

¹⁰² C. Raja Mohan, “China takes anti-Indian stance impossible,” *The Hindu*, June 11, 1999.

¹⁰³ A. Umakantha Sarma, “China as mediator in Kargil hostilities,” *The Hindu*, July 5, 1999.

dia.¹⁰⁴ Even more significantly, as sensibly observed, the fact that the conflict along the LoC in Kashmir could never evolve into an all-out war between the belligerent rivals as the previous ones had, should be considerably attributed to China's energetic mediation and meddling, apart from the burgeoning factor of nuclear deterrent in the subcontinent.

2002 India–Pakistan Military Standoff

China's response to the mounting armed crisis between India and Pakistan was convincingly observed in 2002 when the South Asian rivals entered into another major crisis of military confrontation. In general, Beijing continued its even-handed dealing with the explosive situation as it did some three years back. As a reminder of the context of this crisis, the anti-terror climate in both global and regional contexts following the 9/11 attacks on the Twin Towers and the Pentagon produced significant implications for South Asia. The U.S. campaign against al-Qaeda and the Taliban militants in Afghanistan emboldened New Delhi to launch a South Asian version of the "war on terror." The terror attack on the Parliament in New Delhi, December 13, 2001, offered India a rare opportunity. New Delhi charged Islamabad with instigating, financing, and supporting the Jihadist militant groups that were believed to be responsible for the gruesome attack and threatened to launch a preemptive operation across the LoC and uproot the terrorist infrastructure on Pakistan soil unless Islamabad decisively met India's ultimatum to terminate the "cross-border terrorism." Relations between India and Pakistan briefly became worse with military mobilization and heavy amassing of troops along the LoC. The tensions lingered and escalated from January to October 2002, leading to the likelihood of a total war between the South Asian rivals. This military standoff caused unprecedented global concerns about the conflict moving out of control in terms of the danger of a potential nuclear exchange.¹⁰⁵

¹⁰⁴ Kapil Kak, "International Responses," in Jasjit Singh, ed., *Kargil 1999: Pakistan's Fourth War for Kashmir* (New Delhi: Knowledge World, 1999), p. 203.

¹⁰⁵ Nadeem Iqbal, "Hiding behind a nuclear cloud," *Asia Times Online*, Jan. 11, 2002, <http://www.atimes.com/ind-pak/DA11Df01.html>

Being well aware of the incident's ramifications for regional security and its own stake, China became cautiously but clearly responsive to the unexpected developments and took an approach to deescalating the looming conflict. First of all, Beijing called for mutual restraint and a peaceful solution, while cautiously recognizing India's reason to react firmly to the terrorist menace. Beijing encouraged Musharraf to take tough measures to target terrorism and communal extremists within Pakistan and created a better atmosphere for defusing the tensions. Beijing also expected New Delhi to respond positively to Musharraf's endeavors. To urge Musharraf to take diplomatic initiative to ease tensions, Chinese leaders arranged a brief stopover for him in Beijing before he attended the SAARC summit in Kathmandu (January 2002). Musharraf was inspired to perform the episode of "handshaking of friendship" at the summit despite Vajpayee's prior statement about not having bilateral talks with him.¹⁰⁶ With the standoff continuing into June, Beijing began to join the multilateral efforts and endorsed the G-8 statement to defuse the conflict by pressing Musharraf to adopt fierce options to end the cross-border militancy and extremism, and urging New Delhi to be patient.

Prime Minister Zhu Rongji's visit to both India and Pakistan in January 2002 was planned much earlier than the abrupt eruption of tensions between New Delhi and Islamabad following the terror attack on the Indian Parliament. The fact that Zhu's visit coincided with the amassing of troops and increasing exchanges of fire along the LoC just underscored the significance of the visit. The declared purpose of his Indian tour was to promote Beijing's economic interaction with India, but the global media paid more attention to whether his visit could help de-escalate the strained situation. The Chinese Foreign Ministry spokesman claimed that China would not make the visit a chance to meddle in the emerging conflict. The Kashmir issue was believed to be an unavoidable subject of discussion for Zhu with his Indian counterpart, given the explosive atmosphere over the clashing

¹⁰⁶ Zhu Feng, "Indo-Pak ties behind handshaking and smile," *Xinhua News*, Jan. 8, 2002, http://news.xinhuanet.com/newscenter/2002-01/08/content_229004.htm

sides and Beijing's subtle relationships with New Delhi and Islamabad.¹⁰⁷ In line with this observation, Zhu's condemnation of the terror attack and his initiative to propose anti-terror cooperation with India was particularly noticeable during the visit.¹⁰⁸ Actually, both Beijing's expanding leverage in South Asia and the recognized shift of its diplomacy in the region raised the expectation of positive results from Zhu's South Asian tour.

Despite India's persistent objection to the involvement of a third party in its problem with Pakistan over Kashmir, both preceding experiences and on-the-ground reality suggested that New Delhi and Islamabad would hardly reach any meaningful compromise by an expected timeframe without momentum from an outside player. Previous conflicts between the two South Asian countries were eventually overcome through the endeavors of major powers or international regimes (UN intervention in 1947; Moscow's mediation in 1965; and Washington's diplomatic pressure and blackmailing in 1971). The complexity of New Delhi-Islamabad relations and the endurance of the conflict, as some Chinese analysts believed, began to necessitate the involvement of extra-regional powers, if not an imposed intervention. It was agreed that it should be feasible for a third party to work with India and Pakistan to achieve a substantial solution on the ground and make the conflicting parties reach a ceasefire agreement and ultimately, peace, through bilateral negotiation. The approach of constructive third party mediation would help overcome the dilemma of either side making a (media) breakthrough on their own, given the tit-for-tat scenario of the conflict and the recognized polar divergence of interests accumulated through the prolonged confrontation. The emerging reality of a nuclearized subcontinent, especially the possibility of malfunction of unconfirmed deterrence, seemed just to amplify the determination of both countries to confront each other.

Some analysts in China argued that, in the case of reasonable involvement of extra-regional powers in the 2002 South Asian conflict, China could

¹⁰⁷ Geng Xuepeng, "Implications of Zhu's South Asian Tour," Jan. 16, 2002, <http://news.sohu.com/26/41/news147674126.shtml>

¹⁰⁸ "Premier Zhu Rongji Holds Talks with Indian Prime Minister Vajpayee," <http://www.chinaembassy.se/eng/xwdt/t101452.htm>

play the role of intermediary in reconciling the conflict between New Delhi and Islamabad.¹⁰⁹ There were wild speculations over Beijing's interest and intent to play a part. Indeed, there are several reasons that enabled Beijing to perform this role. First of all, Beijing, unlike other extra-regional powers such as the United States and Great Britain, would not intend to expand its strategic presence in Kashmir and would be highly reserved and discreet about using force and expanding territory across the border. Perhaps more significantly, Beijing has almost invariably rejected any formula for ethnic secession tagged as self-determination and this ought to have an implication for the undecided status of Kashmir. Moreover, Beijing believed that growing Islamic fundamentalism and terrorism in Central and South Asia, where Pakistan was seen as a haven for these threatening forces, could endanger its own security, especially along its vulnerable western periphery.¹¹⁰ All of this, plus its perceived detached posture in the Indo-Pakistan rivalry, could make Beijing helpful in preventing the conflict between its South Asian neighbors.

Next, the relevance of the Indo-Pakistan conflict to China's major interests justified Beijing's inclination to work on defusing the tensions. Any unexpected worsening of the situation in South Asia in 2002, just like the Kargil conflict, would spoil the stability in China's western frontier areas including the strategically vulnerable ethnic provinces of Tibet and Xinjiang. The remote but realistic likelihood of nuclear exchange between New Delhi and Islamabad, either deliberate or inadvertent, would cause an immeasurable disaster. Thus Beijing had a stake in stabilizing the strategic climate in South Asia. Added to this, Beijing's attitude toward the standoff would directly affect, if not decide, the balance of power between India and Pakistan, which accentuated Beijing's capacity for influence in the shifting scenario. And the recent memory of China's recognized mediatory effort in Kargil to stop the low-intensity conflict from escalating into a total war be-

¹⁰⁹ Huang Lin, "The Changing South Asian Scenario after the September 11 Attacks," *International Politics and Economy*, Sept. 3, 2004.

¹¹⁰ Wang Jisi, "China's Search for Stability With America," *Foreign Affairs*, Vol. 84, No. 5, Sept/Oct. 2005.

tween the South Asian rivals, considerably fostered the regional image of Beijing as a peace builder.

Another reason for China to seek to play a helpful role is its constant and well-known emphasis on the sanctity of sovereignty. China has invariably highlighted the necessity of respect for the national interests of a country and cast doubt on the rationale of the so-called "global governance" that it claims might be used as a forceful pretext for coercive foreign intervention. This projection of profile (and the corresponding norms of behavior in global affairs) is a visible advantage evoking positive feedback from both Islamabad and New Delhi, particularly in view of the burgeoning improvement of the China–India linkage. In the context of the 2002 Indo–Pakistani armed standoff, all the factors pertaining to China mentioned above combined to make Beijing a unique player in dealing with Islamabad and New Delhi. For both its geo-strategic relevance and its growing profile as a peace promoter, China began to unfold its much-felt clout in South Asia and sought a greater role in influencing the trajectory of the Indo–Pakistani equation in a constructive way.

In this regard, the Conference on Interaction and Confidence Building Measures in Asia (CICA) held in Almaty (Kazakhstan), June 3–5, 2002, provided a key forum for discussing the ongoing crisis in South Asia and an important opportunity for Beijing to promote its efforts towards conflict reduction in the region. As two heavy-weight players attending the 16-member conference, China and Russia sought to address the unfurling Indo–Pakistani rivalry in Kashmir by pressing for a bilateral consultation between Musharraf and Vajpayee at the event. Chinese President Jiang Zemin had substantial discussions with the South Asian leaders during the conference. Talking to Musharraf, he was reported to stress that Beijing endorsed Islamabad's effort to exercise restraints and defuse the tensions. According to him, the dispute between India and Pakistan would, being a brainchild of history, have to find a just and reasonable settlement on negotiating table. Jiang voiced his appreciation of the determination Musharraf had shown to curb terrorists and religious extremists in the territory of Pakistan. Musharraf assured Jiang that Islamabad expected to achieve peace, rejected using force and was ready to conduct dialogue and negotiation rather than

initiating war. Obviously, Jang's association of the ongoing Indo–Pakistan conflict with their contention over Kashmir and the threat of terrorism (albeit avoiding of the term “cross-border terrorism” used by India) was not inadvertent.

In meeting with Vajpayee, the Chinese leader voiced Beijing's growing concern over the escalating armed standoff, continued to underscore the Kashmir knot being a complicated problem rooted in history and convinced the Indian PM that Beijing was eager to persuade the clashing parties to negotiate, facilitating a reconciliation between Islamabad and New Delhi. In line with his tones in those sideline talks, Jiang's address at CICA exclusively stressed the importance of an anti-terror theme, arguing that the threat of terrorism was becoming rampant in Asia and beyond and most CICA member nations were victims of the global scourge. He reiterated that China would reject terrorism in all its forms, join the international initiative to step up efforts and actions of targeting terrorism, and enhance its substantial cooperation on this front. Offering a convincing example, he referred to Beijing's leading role in signing the convention on combating terrorism, separatism and extremism under the framework of the SCO.

Shortly before the CICA, as part of Beijing's initiative, Chinese Foreign Minister Tang Jiaxuan arranged a special visit to Islamabad and consulted with Pakistani leaders about ending the conflict. In order to seize the fleeting chance for achieving peace in the subcontinent and augment the effects of the CICA, Tang discussed available options with his counterparts in New Delhi, Washington and London. What impressed the top diplomats was that he justified a more symmetrical treatment of the two South Asian states so as to help drag Musharraf out of the dilemma of the internal instability. Tang argued it would be helpful for relaxing the tensions looming large along the LoC. He even attempted to make another effort to mediate between New Delhi and Islamabad for reconciliation by separately calling the Beijing-based diplomats of the clashing states and some major powers including the United States, Great Britain, France and Russia and informed

them of the expected progress in the CICA.¹¹¹ Primarily driven by Beijing and Moscow, the SCO summit in St. Petersburg in June 2002 urged, in an unusual tone, New Delhi and Islamabad back to the negotiating table in order to defuse tensions and resume cooperation between the two countries.¹¹² Moreover, Musharraf's tour in China in early August offered Beijing's leadership a renewed opportunity to press for enhanced efforts to alleviate the tension between Pakistan and India and settle their dispute through dialogue.¹¹³ As Chinese spokesmen repeatedly claimed, Beijing would welcome the international endeavor to prevent war and facilitate peace in South Asia, and would persist in contributing its part to achieving stability and peace in this region. In both Almaty and Beijing, China attempted to take advantage of its increasing leverage to intervene in the conflict, despite that fact that the effect of Beijing's diplomatic thrust was discounted as a result of lack of reciprocal accommodation from New Delhi and Islamabad; and their tit-for-tat approaches toward Kashmir and cross-border terrorism.

Interestingly, across the spectrum of Chinese-style diplomatic language, one may decipher some meaningful rhetoric emanating from the official organs. In his meeting with the visiting Foreign Minister of Pakistan, Inam-ul-Haq, Foreign Minister Tang Jiaxuan argued that Beijing's encounter with India and Pakistan was invariably based on the principle of maintaining peace and stability in South Asia. This conveyed the unambiguous rejection of any kind of unilateral and arbitrary alteration of the recognized borders and the LoC between its two belligerent South Asian neighbors. Tang commented that Musharraf's peace-seeking approach since the onset of the standoff had been understood and supported by China as well as the international community as a whole, contributing considerably to de-escalating the tensions on both sides of the border. At the same time, realizing the lin-

¹¹¹ Gang Bian, "South Asia 'Must Take Peace Path'," *China Daily* (Hong Kong ed.), June 7, 2002.

¹¹² "Charter for Shanghai Cooperation Organization Adopted at Summit in Russia," http://www.english.peopledaily.com.cn/200206/08/eng20020608_97405.shtml

¹¹³ "President Jiang Zemin Met with Pakistani President Musharraf," <http://www.fmprc.gov.cn/eng/33235.html>

gering danger of a major conflict, Tang urged an early dialogue between Islamabad and New Delhi and impressed his Pakistani guest by arguing that to combat terrorism would require enhanced cooperation and coordination among South Asian states on the basis of mutual respect and equality; and the global regimes including the UN Security Council, had already reached a consensus on preventing the conflict between India and Pakistan and stabilizing the situation in Kashmir.¹¹⁴ What Tang tried to clarify seems to be that Beijing, compared to other major powers, showed no palpable difference in the perception of, and approach to, the settlement of this threatening conflict.

Beijing's endeavor to manage the conflict proved coherent and decisive. The willingness to end the standoff and support peace seemed not to be simply explained away as the convenience of interests or the trimming of sails. As some analysts noted, Pakistan's foreign minister, during his tour, pushed China to build up a listening station in its coastal area lest the Indian Navy launch strikes on its strategic ports of Karachi and Gwadar. But Beijing was clearly reluctant to take this as part of its package deal of cooperation with Islamabad despite visible interest in access to Baluchistan and monitoring America's activities on the Persian Gulf.¹¹⁵ Increasingly exposed to both mounting international pressure and domestic constraints, India and Pakistan declared the withdrawal of their forces from the LoC in mid-October 2002 and the explosive armed standoff came to an end. Beijing welcomed India's initiative to partially withdraw its troops as well as the proactive interaction of Pakistan.¹¹⁶

New Delhi–Islamabad Rapprochement: Beijing's Assessment and Response

Following its recognized useful role in helping to diffuse the two India–Pakistan crises in 1999 and in 2002, China decided to continue its balanced stance in the interaction between its two South Asian neighbors. It even

¹¹⁴ "China's Agenda for Stabilizing South Asia: Tang," *Globe Online*, June 29, 2002

¹¹⁵ "Pak. FM's visit to China," IRIB World Service, June 30, 2002.

¹¹⁶ "China Welcomes India's Decision to Withdraw Troops from Border with Pakistan," *People's Daily* (English ed.), 17 October, 2002, http://english.people.com.cn/200210/17/eng20021017_105242.shtml

tried to amplify its input by directly nudging them to achieve reconciliation. With the kick-start of the peace process in South Asia, Beijing welcomed the initiatives and responses from New Delhi and Islamabad and appreciably observed the developments. During Indian Prime Minister Vajpayee's trip to Beijing in June 2003, Chinese leaders spoke highly of his resolve to make things different and expressed support for any efforts to relax the situation in the subcontinent.¹¹⁷ As some in China believed, one of the goals of Vajpayee's Beijing tour was to gather momentum for improving New Delhi's relations with Islamabad in terms of the assessment of the interplay between China and the two South Asian powers.¹¹⁸ Beijing unambiguously expressed its endorsement of the emerging peace in South Asia and made it unmistakably clear that Beijing would play a constructive role in removing tensions and promoting the process; and that China had no hidden agenda in the region directed against any regional power.¹¹⁹

Beijing became more responsive when reconciliation between the South Asian neighbors showed signs of strengthening. Encouraged by the exchange of goodwill between New Delhi and Islamabad, Beijing urged both sides to resume their talks early in order to resolve their disputes.¹²⁰ Chinese leaders lost no time in exploiting this steady progress by pushing for goodwill initiatives such as New Delhi's unprecedented permit for Pakistani journalists to visit the Indian part of Kashmir, the Singh–Musharraf meeting on the sidelines of the 2004 UN Assembly and a concerted effort to explore the trans-border gas pipeline project in 2004; seeing all of this as a catalyst to advance peace and stability in South Asia, from which China would ultimately benefit.¹²¹ With the *détente* advancing in the anticipated

¹¹⁷ "FM spokeswoman: China's concerns," *People's Daily Online*, <http://www.china.com.cn/chinese/2003/Jun/340267.htm>

¹¹⁸ Li Shuangwu, "Will Vajpayee follow suit of Nixon?" *The Global Observer*, June 20, 2003.

¹¹⁹ "Beijing seeks to promote peace," *Dawn*, July 28, 2003.

¹²⁰ "China hopes for resumption of Indo-Pak talks," *Press Trust of India Online*, Nov. 25, 2003, <http://sify.com/fullstory.php?id=13317528>

¹²¹ Mo Ke, "The looming hope for peace in South Asia," *CRI Online*, Oct. 4, 2004.

direction, official media in Beijing ranked the thawing of Indo–Pakistani ties among the Top Ten major global events in 2004.¹²²

The burgeoning trend of Indo–Pakistani reconciliation is regarded as one of the most positive legacies of the BJP-led administration and Vajpayee was credited with helping achieve an outcome of amicability following his address in Srinagar in May 2003.¹²³ The Indo–Pakistani joint declaration during the Islamabad SAARC summit in early 2004, and the ensuing mutually agreed upon “blueprint of peace” enhanced public expectations about the increasing normalcy of Indo–Pakistani ties.¹²⁴ More importantly, the Congress-led UPA government taking office in 2004 continued the process of reconciliation with fresh momentum and a creative agenda. For outsiders, including Beijing, this proved it was not a partisan platform for India to seek a significant reconciliation with Pakistan; it could occur regardless of which party was in power. The subsequent performance of the new administration has been consistent and coherent in exploring credible détente options for Indo–Pakistani relations. For Beijing, no doubt, New Delhi’s willingness to continue its goodwill diplomacy toward Islamabad meant a tenable opportunity to expand its role as a peace facilitator. Meanwhile, Beijing felt comforted with Islamabad’s positive response toward the “blueprint of peace,” reaffirmed by Manmohan Singh’s government. At enlarged engagements and high-profile meetings between both sides, each has indicated their interest to achieve meaningful progress and to reduce the differences. The perception of each other has begun to change. For instance; growing voices were heard in both India and Pakistan calling for the removal of obstacles in the way of the peace process. The talks on security confidence-building measures, regional free trade arrangements and the coordinated energy security alignments have come to be of crucial relevance.

For most South Asia observers, however, the problem remains that both sides have stressed differences of their positions on the disputes and for-

¹²² Yang Liqun, “China’s Ascending in Crises and Conflicts: 2004,” *Liberation Daily*, Dec. 19, 2004.

¹²³ Shankar Aiyar and Kaveree Bamzai, “Hopes Float,” *India Today*, No. 5, 2004.

¹²⁴ “The Declaration of Islamabad,” June 1, 2004, <http://www.meaindia.nic.in>

warded preconditions for normalizing their troublesome relations despite the rising tones of reconciliation that amplified public awareness of an achievable goal of peace in the region. New Delhi claimed that cross-border terrorism must have completely stopped before the essential improvement of relations and, at the same time, suggested the necessity of expanding engagements in other areas of the bilateral relations before a mutually acceptable solution to the Kashmir stalemate can be finally reached. By contrast, Islamabad unvaryingly underscored the factor of Kashmir, considering it the “core issue” determining all aspects of their relationship. This huge gap is quite understandable in terms of the assertive reasons and clashing arguments they have articulated for their own national interests. But for Chinese observers who have witnessed the volatility of the New Delhi–Islamabad ties, to make the peace process a substantial and irreversible success both sides must take a give-and-take approach, regardless of whether they are willing or not. If the inflexible requisites for normalizing relations on either side become overplayed, both New Delhi and Islamabad would become enmeshed in an arduous or potentially unachievable mission, with no assurance of bringing about a substantial breakthrough.¹²⁵

As mentioned earlier, Beijing has been well aware of the centrality of the Kashmir dispute in shaping the Indo–Pakistani relations in terms of its complexity and implications for both sides. Pakistan, for its part, tends to see Kashmir as an unresolved problem of the Partition and insists on a final settlement of the dispute through composite dialogue. There seems no likelihood of negotiating any meaningful improvement of the bilateral links without tangibly addressing Kashmir. In addition, Islamabad never ceases to be concerned about human rights violations on the Indian side of Kashmir. As a result, it is hardly surprising that Islamabad and New Delhi tend to see what has occurred in Kashmir quite differently. Consequently, for Islamabad, India’s reluctance to address the “core issue” would continue to serve as an obstacle in achieving any tangible progress in the horse-trading

¹²⁵ Zhang Li, “Security in South: Recent Developments and Causes,” *Contemporary Asia-Pacific Studies*, No. 12, 2003.

with New Delhi, and this impasse even spoiled some visible win-win economic arrangements at both the bilateral and regional levels.

On the other hand, while endorsing a Pakistan-favored "composite dialogue," India seemed to be inclined to underplay the effects of the Kashmir problem on politics and public reaction within Pakistan, by believing that the root causes of Indo-Pakistani disharmony are much more complicated. New Delhi has invariably seen Kashmir as an essential baseline to securing India's national unity and one of the political signposts to a secular state. All of this suggests that India would find it difficult to tolerate any change of the status of Kashmir, at least in the foreseeable future. Equally, there seems almost no likelihood of Islamabad simply accepting the LoC as a permanent border between the two South Asian neighbors.

The possibility of a total settlement seems visibly tenuous despite its tempting merits. As some Chinese analysts have observed, the sharp discrepancies showed by New Delhi and Islamabad considerably narrow the policy options of both sides and shadow the prospects of unraveling the knot.¹²⁶ To fathom the nature and repercussions of the bone of contention has much to do with the probability of eventually reaching a consensus by the two states. It would be a time-consuming problem and any formula promising a satisfactory settlement seems highly impractical in a fixed timeframe. But almost nobody doubts that the ongoing process of reconciliation would never achieve substantial progress without seriously addressing this thorny issue. The crux should always be how to bridge the huge gap of perceptions and interests which continues to test the statecraft and willingness of the policymakers in both New Delhi and Islamabad. As some Chinese experts observe, any optimistic desire for resolving this thorny issue would be unrealistic unless the two governments focus on some available advances first and agree to mutual accommodations as far as Kashmir was concerned.¹²⁷

¹²⁶ Chen Yiming, "The Kashmir Issue: Back to the Reality," *People's Daily*, Dec. 2, 2004.

¹²⁷ Cheng Ruisheng, "Approach to Peaceful Resolution to Kashmir Issue," *Contemporary Asia-Pacific Studies*, No. 11, 2003.

Given the evolving circumstances, how far the peace process in South Asia would move seemed to be primarily decided by what kind of concessions the two sides are ready to make in a chain of uneasy bargains. One could make some predictions in terms of the nature of the exchange as well as the possible bottom lines set by both. It has been argued whether New Delhi could underplay its original starting point for facilitating official negotiations between the two capitals and for normalizing relations with Pakistan – a total stop of cross-border terrorism – and instead highlight the emerging fact that military and terrorist infiltrations across LoC have been considerably reduced and the situation within the Kashmir Valley has become visibly improved. Aware of the gravity of the situation in Pakistan and recognizing Islamabad's tougher stance in combating terrorist outfits and militant groups, some of which were believed to be associated with trans-border penetrations and to be perpetrators of violent attacks against India, some in China argued that New Delhi and other outside powers should encourage Musharraf to take measured options in order to struggle for a better outcome.¹²⁸

Occasionally, there have been some inspiring signs of hope. As either an active posture or a devised tactic or an intended incentive for sustaining the peace process, both New Delhi and Islamabad have tentatively showed their inclination to lower the threshold for normalizing relations. This seems to present the likelihood of underplaying the precondition set by each other and focusing on an issue-oriented approach on a reciprocal basis. It was a welcome surprise to Beijing, for instance, that the joint statement issued by Manmohan Singh and Musharraf in New York in October 2004 made no reference to the "cross-border terrorism" on the grounds that armed penetration from the territory of Pakistan had clearly reduced. According to the Indian leader, this document committed the two states "to advance beyond what was agreed to in the January 6 statement both in terms of discussing confidence-building measures as well as moving to dis-

¹²⁸ Zhang Li, "China's South Asia Diplomacy and the Kashmir Dispute," *South Asian Studies Quarterly*, No. 1, 2006, p. 45.

cuss complex issues relating to the State of Jammu and Kashmir.”¹²⁹ Another example is Musharraf’s offer of “creative thinking” in 2004. He announced that Islamabad would be willing to ignore the UN resolutions and stop the pressure for a plebiscite in Kashmir. In his four-point proposal, the two governments would manage to demilitarize Kashmir and allow Kashmiris to exercise self governance, a soft border and a joint jurisdiction, in order to resolve outstanding bilateral issues.¹³⁰ In return, he requested that India show flexibility by jettisoning the proposal for a permanent border on the basis of the present-day LoC.¹³¹ Musharraf’s overture to show flexibility in dealing with the protracted troubles inside Kashmir was timely and appreciated by Beijing in view of the fact that he was taking a courageous step and standing up to strong opposition from some of his countrymen.

In fact, Beijing is well aware of the fragility of the slow-moving Indo-Pakistani rapprochement and is concerned about some potentially sabotaging developments that would almost surely have negative effects on the New Delhi-Islamabad relations in terms of lingering distrust and rivalry on both sides. As the bomb blasts occurred in Mumbai in July 2006, Beijing fiercely condemned the terror attacks and was vocal about its fear that the terror occurrences could cause a grave setback to the rapprochement between New Delhi and Islamabad and thwart the peace process.¹³² But contrary to New Delhi’s allegation of Islamabad’s involvement in the serial blasts, while admitting the fact that Islamabad has been unable to bridle the anti-India Islamic jihad militants, Chinese analysts tend to see it as impossible for the Musharraf government to have masterminded or engineered the terror attacks on India, in view of Islamabad’s desperate need to continue the détente. They believe that the terrorist groups have attempted to un-

¹²⁹ John Cherian, “Bilateral Bonhomie,” *Frontline*, Vol. 21, No. 21, Oct. 9–22, 2004, <http://hinduonnet.com/fline/fl2121/stories/20041022007101800.htm>

¹³⁰ K. J. M. Varma, “My proposals can resolve Kashmir issue: Musharraf,” *Reddif India Abroad*, Feb. 1, 2007, <http://www.rediff.com/news/2007/feb/01pak.htm>

¹³¹ B. Muralidhar Reddy, “Neither plebiscite nor conversion of LoC a solution, says Musharraf,” *The Hindu*, Oct. 26, 2004, <http://www.hindu.com/2004/10/26/stories/2004102616051200.htm>

¹³² “The specter behind the bombing,” *China News Weekly*, July 27, 2006.

dermine the progress of reconciliation and broaden the gap of trust between the two countries by conducting such attacks and creating mass panic.¹³³ Hoping the mood of confidence building in South Asia can survive, Beijing praised India for practicing restraint before the truth of the incident surfaced.¹³⁴ The apparent return and increase of cross-border terrorism along the Kashmir LoC, probably as a result of the exacerbated situation in Pakistani tribal areas, has also raised Beijing's concern.

As a parallel trend, Beijing's willingness to be recognized as a credible peace facilitator in South Asia has been articulated. As some Chinese scholars argue, as a result of Beijing's even-handed approach to the several conflicts and crises between India and Pakistan unmistakably embodied in the recent Indo-Pakistani crises, India's misgivings about China's intents in South Asia have begun to fade and the sense of trust enhanced. Tentatively, China's growing interest in playing an active role has not been concealed in the recent Sino-Indian bilateral talks. For instance, at the press conference after the second Sino-Indian strategic dialogue (with Chinese vice foreign minister Wu Dawei and Indian foreign secretary Shyam Saran as chief interlocutors) held in Beijing in January 2006, a Chinese official spokesman indirectly admitted that the points of that dialogue included the ongoing rapprochement and peace-building between India and Pakistan, and that the shaping of a Sino-Indian strategic partnership would be helpful for the peace process in South Asia. As the official stated, China has actively supported the friendly coexistence of the two South Asian neighbors and the progressive settlement of disputes through peaceful dialogue so as to work together for peace, stability, development and prosperity in the region. He asserted that any positive measures by Pakistan and India in this regard would surely be supported by Beijing.¹³⁵

Moreover, many in China believe that the tri-partite interaction between China, India and Pakistan in the context of conflict management actually helped bring down the tone of "China threat" and make New Delhi more

¹³³ "Who is culprit of the bombings," *CCTV News*, July 13, 2006.

¹³⁴ Dan Xingwu, "India and South Asia: An Uncertain Prospect," *Show China*, July 4, 2007.

¹³⁵ "China: FM spokesman's speech," *Xinhua News*, Jan. 1, 2006.

confident in regional and global affairs. Added to this, it is believed that China's joint military drills respectively with India and Pakistan during the past few years would also be extremely helpful in carving out Beijing's role as a qualified mediator in South Asia in the future.¹³⁶ Encouraged by obtaining SAARC observer membership in April 2006, Beijing promised that this status would allow it to explore creative ways for promoting shared interest in regional peace, stability and development through concerted efforts.¹³⁷ Wrapping up his South Asian tour in November 2006, Chinese President Hu Jintao declared that Beijing was well prepared for playing a "constructive role" in the South Asian peace process and his ongoing visit to India would focus on strengthening mutual confidence and trust.¹³⁸ He even claimed that Beijing would not seek any selfish gains in the subcontinent, reassuring both Islamabad and New Delhi of just and impartial treatment in perceiving, responding to, and helping achieve stability in South Asia.¹³⁹

Despite all positive signs for Beijing to be accepted to mediate, China's involvement in the Indo-Pakistani equation has been a highly controversial issue. As mentioned earlier, even if New Delhi accepts external intervention, at best there remain strong suspicions from New Delhi about China's credibility. Even Hu's remarks on the selflessness of China in his India tour proved not so persuasive as to dispel the lingering obsession of many in India that the China-Pakistan partnership would be aimed at containing India.¹⁴⁰ Therefore, Beijing's role as an intermediary will continue to be questioned as far as India's perception is concerned.

Additionally, the promising but uncertain chance for Beijing to mediate is likely regarded as a formidable and thankless job. The views on this possibility are divided. Shortly after the Mumbai train bombing, a prestigious

¹³⁶ "China's ties with India and Pakistan compatible," *Ta Kung Pao*, Nov. 14, 2006.

¹³⁷ "China dedicated to peace, stability in S. Asia," *Xinhua News*, April 20, 2006, http://www2.chinadaily.com.cn/china/2006-04/20/content_572915.htm

¹³⁸ "China ready to play a constructive role in South Asian peace: Hu Jintao," <http://www.cnachinese.com/stories/china/view/45513/1/gb/.html>

¹³⁹ "China lauds India-Pakistan peace," *BBC News*, Nov. 22, 2006, http://news.bbc.co.uk/2/hi/south_asia/6171616.stm

¹⁴⁰ Chen Yiming, "China seeks no selfish gains," *Globe Times*, Nov. 26, 2006.

Chinese weekly based in the United States interviewed several analysts and asked about China's intended part in facilitating the South Asian peace process. Some Indian analysts contended that Beijing could try to be a part of the India–Pakistan equation but that “its involvement might be regarded as being relatively acceptable compared with Americans whose intents have been greatly suspected.” But others believe that Beijing never wanted to be drawn into the Kashmir problem, despite New Delhi probably endorsing China's participation in view of Beijing's endeavor to nurture relations with India. A Chinese scholar interviewed by the same magazine argued that Beijing might seriously address the possibility of mediating the Kashmir issue only if both India and Pakistan clearly expressed willingness to welcome China's involvement in the peace process. Otherwise Beijing would never want to offer this proposal lest unnecessary misunderstanding and aversion be invoked. As this scholar arguably explains, Beijing has once made overtures to facilitate the India–Pakistan negotiations but was rejected because New Delhi has obsessively feared that China might be biased towards Islamabad. Nevertheless, as he suggests, the likelihood of recognizing that Beijing can play a constructive role could be enhanced in terms of the changing circumstances, especially the considerable progress in the bilateral ties.¹⁴¹

Beijing has kept itself sensitive to the gradual thawing of its South Asian neighbors' relations and has responded in a positive way. Even more important is that Beijing wants to see flexibility and practicality to be shown by both India and Pakistan in seizing the chance of the normalization of relations.¹⁴² In perspective, the intensity and latitude of China's leverage in South Asia will continue to be conditioned by various factors such as its credibility to be an impartial facilitator, India's lingering skepticism, and a healthy interaction between Beijing, New Delhi and Islamabad. Beijing will surely sustain its endeavor to amplify its influence in managing conflict and

¹⁴¹ Xu Ling and Chen Yali, “Mumbai Bomb Blasts Shatter Indo-Pak. Peace Process,” *Washington Observer*, No. 28, 2006, July 26, 2006.

¹⁴² Cheng Ruisheng, *The Hotspot in South Asia: Kashmir* (Beijing: World Culture Press, 2007), p. 244–7.

crisis and maintaining stability in the subcontinent. Beijing believes this has become necessary in terms of its evolving interests and responsibilities.

Case II: Civil Conflict and Nation-building in Nepal

Nepal was declared a republic in May 2008 by its new Constituent Assembly that lauded a decisive victory for the national political transition. It promised a sanguine prospect of achieving national unity and development in this Himalayan country after witnessing years of conflict and disarray. In retrospect, the issues in Nepal have offered observers a typical example of conflict management and resolution. The dramatic political changes in Nepal over the last few years have drawn global attention and the roles of several external powers, in terms of their influence in different directions, have equally become a focus of interest and speculation. There has been increasing concern about the association of internal synergy with outside influence despite the internal disarray and insurgency. This interstate linkage, along with the promising but uncertain prospect of addressing the conflict in Nepal, continues to necessitate synchronized constructive efforts from various concerned parties. As one of the extra-regional players, China has played a unique role in the volatile scenario and has proven its ability to help defuse conflict in a substantial way by exerting a constructive influence on its smaller Himalayan neighbor. Thus, it is significant to trace China's options based on its defined interests in the ongoing events in Nepal.

China's Inputs in the Nepal Imbroglia and Its Prospects

Generally speaking, the enduring civil crisis and political prospects of Nepal are not hot issues for open discussions and debates in China. Beijing's policy toward the country includes an emphasis on equality and trust on a mutual basis, sovereignty and territorial integrity, non-intervention from outside powers, general reconciliation leading to peace and order as well as respect for any models for nation-building and development based on the Nepalese own choices and interests.¹⁴³ The explanation of the official posi-

¹⁴³ "Points of China's Nepal policy: Tang," http://big5.gov.cn/gate/big5/www.gov.cn/ldhd/2006-03/17/content_229681.htm (March 17, 2006)

tion is too terse and invites different interpretations. Nevertheless, the occasional comments made by Chinese political leaders and diplomats are helpful for deciphering Beijing's policy toward Nepal.

In April 1996 Chinese Prime Minister Li Peng told his visiting Nepalese counterpart, Sher Bahadur Deuba, that Beijing thought highly of its relations with Nepal not merely as good neighbors but also as having mutual security concerns. In May 2001, the Chinese ambassador to Kathmandu, arguing for China's security concerns, confirmed the vital interest China had in securing its strategic surroundings by nurturing a credible relationship with Nepal, adding that sharing a border of more than 1400 km, both countries were bound to maintain a good-neighborly friendship and respect each other's sovereignty and security concerns. The official claimed that the problem caused by Maoists' insurrection was Nepal's internal affair, and that Beijing never wanted to intervene, although Beijing was averse to seeing the violence and turmoil prevalent in Nepal.¹⁴⁴ Also Beijing became concerned about the devastating national crisis in 2001 as a result of both the royal family massacre and the unchecked Maoists' rebellion. China endorsed King Gyanendra's high-handed action to restore order. As a diplomatic gesture affirming its support, Beijing sent two high-profile delegations to Kathmandu, finalized several major assistance deals and sponsored a non-governmental forum involving China and Nepal. In addition, Tang Jiaxuan, Chinese Foreign Minister, phoned Nepalese Premier Sher Bahadur Deuba, reiterating Beijing's endorsement of the measures taken to control the situation.¹⁴⁵

When King Gyanendra visited China in July 2002, Chinese President Jiang Zemin made it clear that Beijing supported the King and the Nepalese regime to crack down on anti-government militants and condemned violence and terrors of all kinds. Under the then circumstances, Beijing believed that the King and his government were the dominant actors able to

¹⁴⁴ "China respects Nepal's sovereignty and independence," *Spotlight*, Vol. 20, No. 42, May 4–10, 2001, <http://www.nepalnews.com.np/contents/englishweekly/spotlight/2001/may/may04/national4.htm>

¹⁴⁵ "History of Sino-Nepal Relations," <http://www.fmprc.gov.cn/ce/cenp/eng/ChinaNepal/History/t167783.htm>

maintain peace, stability and to foster development of the Himalayan kingdom. One official spokesman in Beijing, responding to the question of Beijing's attitude toward the Maoists, clarified that neither the Chinese government nor China's organizations kept or sought to develop any links with Nepal's illegal militants labeled the Maoists, albeit that these groups associated themselves with China's charismatic leader Mao Zedong. According to the spokesman, Beijing's sincere desire was simply to help Kathmandu achieve peace, order and development.¹⁴⁶ But the spokesman evaded the pointed question of what kind of help, either political support or economic assistance or both, would be available for China to offer for curbing the Maoists' rebels, by vaguely stating that Beijing had provided affordable assistance to Kathmandu to bolster its measures of securing stability.¹⁴⁷ It was reported that the visiting Nepalese army chief and his Chinese hosts signed an agreement on security cooperation in June 2004 and Beijing promised a delivery of military hardware, logistic support, and intelligence sharing.¹⁴⁸ In meeting King Gyanendra during the Asian-African Summit in Jakarta, President Hu Jintao highlighted the role of the King in stabilizing the situation.¹⁴⁹ This claim indicated that, at least by mid-2005, the King's earlier action to dissolve the parliament seemed not to discourage Beijing.

With the unfolding of expanding unrest and King's crisis of credibility, Beijing kept watch on the emerging developments and made purposeful comments. In March 2006, Tang Jiaxuan, former Chinese Foreign Minister, attempted to explain Beijing's concerns about the crisis with some points being tempered by diplomatic language. According to him, Beijing always stuck to the approach of non-intervention towards Nepal's inside affairs, fully respecting any model of national development that the Nepalese

¹⁴⁶ "Nepali Maoists threatens China's security," <http://www.southcn.com/news/international/gjkd/200208131041.htm>

¹⁴⁷ "Chinese Foreign Ministry: No links with Nepal's Maoists," <http://news.sohu.com/80/09/news202110980.shtml>

¹⁴⁸ Eva Cheng, "Nepal: Beijing pledges to help suppress Maoist rebels," *Green Left Weekly*, July 14, 2004.

¹⁴⁹ "Hu Jintao meets King Gyanendra," http://news.xinhuanet.com/misc/2005-04/23/content_2866488.htm

people chose. The words seem to be the first message from Beijing to reserve its diplomatic backing for certain political forces other than the monarchy. Tang Jiaxuan argued that Beijing hoped that a stable and peaceful scenario would emerge in the country. He expected various elements to take the constitutional instrument to meet basic interests and requirements of Nepal and its people, properly addressing the outstanding problems through constructive dialogues. Similarly interestingly, he explicitly conveyed Beijing's concern of the kingdom becoming increasingly vulnerable to unexpected foreign involvements by articulating the need to preserve its independence, sovereignty and territorial integrity in the present context.¹⁵⁰ Tang continued to assure Kathmandu of Beijing's strong commitment to offer credible support in dealing with the crisis regardless of the volatility of the situation.

The repeated commitments indicated that Beijing, despite its declared policy of non-intervention, became increasingly concerned over the mounting crisis and the movements of other powers. Even these fears could not be dispelled with the reinstatement of a multiparty government and a fragile consensus tentatively reached among the political parties and the Maoists in May 2006. As a known fact, the wave of democratization in the kingdom initiated in the early 1990s was basically the result of external influences and, since then, the isolated Himalayan kingdom has witnessed a big shock to its unique method of governance, the autocratic monarchy. The campaign for polity reform also brought about the demise of the traditional Panchayat system (The Council) and the issuance of a new constitution. One of the major results of democracy reform – the co-existing of constitutional monarchy and multi-party politics – began to emerge as one part of the new Nepal's political landscape.

As some analysts in China observed, however, the shift of power matrix did not appear to be helpful in normalizing the national political life and saving its shattered economy. The frequent government reshuffles, as one of the features of Nepal's domestic politics in the 1990s, showed Kathman-

¹⁵⁰ "Equality and mutual benefit: Tang states China's South Asia policy in Nepal," http://www.csonline.com.cn/xw/200603/t20060318_449106.htm

du's inability to deal with the lingering crises. The gravity of the situation began to loom large when the Maoists declared they would quit the national political mainstay and switched over to a "people's war" against the orthodox authorities, as a result, to a great extent, of the bleak reality of failing governance in the country. In such a context, Beijing made it clear that what happened inside Nepal was its internal matter and any improper intervention from outside would risk complicating and worsening the situation, despite some speculation over China's role in the imbroglio. Beijing repeated its approach toward the country's fate by arguing that Nepal's future governing system should be decided by its people and believed that her bilateral relations with Kathmandu would not be a victim, regardless of the outcome chosen by the people of Nepal.

Beijing has kept close watch on the emerging developments in Nepal and been more responsive to the trend towards reconciliation and peace. Encouraged by the Peace Agreement signed between the SPA and the Maoists in November 2006, Beijing urged Kathmandu to continue advancing the peace process on the basis of the already reached broad consensus.¹⁵¹ Several key points about Beijing's approach toward the rapidly changing situation were made by the new Chinese ambassador Zheng Xianglin at a news conference in June 2007. He spoke in an unusually frank manner. According to Zheng, China had no plans to interfere in the ongoing developments. Nepal's political fate would be decided by the sovereign people of Nepal, and Beijing would accept the final verdict based on the upcoming election. He emphasized Beijing's two main concerns in this transforming country: one was peace and stability, and the other was its sovereignty – regional and territorial integrity. Despite continuing to highlight a non-interference principle, he reiterated Beijing's willingness to actively take part in the peace process and to provide whatever required support was needed. Promising an equal treatment of all the parties involved, he confirmed that

¹⁵¹ "China hopes for further progress in peace process in Nepal, says FM," *People's Daily*, Nov. 10, 2006, http://english.peopledaily.com.cn/200611/10/eng20061110_320331.html

Beijing had already initiated dialogue with the Maoists.¹⁵² Moreover, Beijing timely praised all sides' endeavors to unravel the political deadlock in moving toward the Constituent Assembly election by reaching a broad agreement by the end of 2007.¹⁵³ When the delayed election of Nepal's Constituent Assembly in April 2008 was finally held, the Maoists became the largest party in the parliament. Beijing highlights its political support for Nepal's transition, reaffirming that China "respects the Nepalese people's choice of social system and development road in accordance with the situation of the country."¹⁵⁴

The Relevance to China's Key Interests

China has kept a historically close relationship with this small Himalayan kingdom for several visible reasons. First of all, a friendly Nepal helps secure and enhance Beijing's core interests in Tibet. As Beijing has observed, in much of the relations with Nepal, the regimes in Kathmandu have attempted to adapt its policy to China's agenda in Tibet. Beijing, while criticizing India's hidden intents to play the Tibet card, has offered her generous appreciation of Kathmandu's effort to curb the political agitation of the Tibetan refugees within Nepal. The Chinese government even sees Nepal's Tibet policy as a litmus test for Nepal to befriend China. As some recent episodes demonstrate, Beijing has closely watched Kathmandu's official attitude toward the controversial closure of the Dalai Lama's agencies and the activities of Western pro-Tibetan nongovernmental organizations in Nepal.

Secondly, in terms of Nepal's geopolitical implications, Beijing fears that it could be used by other powers as a springboard or a frontline state to challenge China's security interests. Previous experience shows that the

¹⁵² Zheng Xianglin, "China Supports Nepal's Quest to Achieve Peace and Stability," *Spotlight*, June 29, 2007, <http://www.nepalnews.com.np/contents/2007/english/weekly/spotlight/jun/jun29/national5.php>

¹⁵³ "China welcomes progress in Nepal peace process," http://news.xinhuanet.com/english/2007-12/25/content_7311341.htm

¹⁵⁴ "China respects Nepal's choice of social system," *China Daily*, June 16, 2008, http://www.chinadaily.com.cn/china/2008-06/16/content_6765111.htm

Himalayan mountain range does not always provide the natural defense for China's boundary security. Since the 1950s, Beijing has believed that this region is extremely significant for its security, particularly with an undefined border with India. The assaults staged by the Nepal-based Tibetan militants in the 1960s mark the relevance of the kingdom to China's border security. The CIA and India's intelligence agencies are believed to have masterminded those activities.¹⁵⁵ Even some Chinese analysts share an argument with Maoists' leaders: the U.S. agenda in Nepal is basically designed to encircle China.¹⁵⁶ In the long run, this Himalayan state will continue to act as a core factor in influencing Beijing's sense of security and stability in Tibet.

Thirdly, a friendly Nepal provides China with an open overland gateway in the subcontinent where New Delhi takes an exclusively preeminent place. To consolidate this connection promises the expanding leverage of China in the Greater Himalayas and South Asia as a whole. Beijing has tried to make headway in its economic interaction with this area. Over the past decade, China's enterprises have expanded investments and business ties with their local partners. As some analysts believe, China's "soft power" has become a useful instrument to reinforce its strategic presence.¹⁵⁷ Kathmandu welcomes Beijing's plan to extend the Qinghai-Tibet railway to Nepal in the near future and of taking it further, into the South Asian hinterlands.¹⁵⁸

As a matter of fact, Beijing and New Delhi have seen an apparent clash of interests in Nepal from the very beginning of their relations. Chinese policymakers are aware that all Indian governments since the 1950s have at-

¹⁵⁵ Wang Hongwei, *Nepal: Its Geography, History and Politics* (Beijing: Social Sciences Press, 2004), pp. 405–6.

¹⁵⁶ See Huang Lei, "US secret mission in Nepal," *Globe Times*, May 13, 2002; and Sanjaya Dhakal, "Tightening The Noose," *Spotlight*, Vol. 23, No. 16, Nov. 7–13, 2003, <http://www.nepalnews.com.np/contents/englishweekly/spotlight/2003/nov/nov07/national1.htm>.

¹⁵⁷ M. K. Bhadrakumar, "Nepal triggers Himalayan avalanche," *Asia Times Online*, April 15, 2008, http://www.atimes.com/atimes/South_Asia/JD15Df02.html

¹⁵⁸ Chen Qiaoyan, "Tibet railway planned to extend up to the China-Nepal border," *International Herald Leader*, Sept. 5, 2006.

tached great importance to Nepal's strategic relevance in preventing "the dragon" from marching into South Asia across the Himalayas. As rightfully observed, Nepal is a vital buffer state for India and strategists in New Delhi fear that the weakness and collapse of their small neighbor could offer a rare opportunity for China to be directly involved in South Asia.¹⁵⁹ The zero-sum logic seems to have worked here. New Delhi never forgot the unpleasant memories of King Mahendra of Nepal visiting Beijing in September 1961 when both the Asian giants were going to confront each other as a result of failing to negotiate an agreement on their disputed border. Another incident involved Indian Prime Minister Rajiv Gandhi's order, in 1989, to block the overland passage linking Nepal and India. This was primarily caused by Kathmandu's reception of arms equipment from Beijing.

One can see why both Beijing and New Delhi find it difficult to reconcile their conflicting interests in Nepal, which are defined and assessed in order to serve their respective strategic objectives in the volatile scene. The decades of interaction and built-up perceptions of each other, with few exceptions, justify this mindset.¹⁶⁰ For China, the India factor is one of the central issues in helping mold Beijing's present thinking and the policy options toward this area, and vice versa. Thus, to envisage the rapid shift in the political climate of Nepal, Beijing may not conceal its growing suspicion of New Delhi's motives to dictate the trend in its own favor.

Historically, Nepal is described as a yam sandwiched between two huge stones (China and India). Beijing has been well aware of Kathmandu's plight in dealing with both the big neighbors in a balancing way and tends to endorse its diplomacy of equidistance rather than seeking a strategic dominance. It also seems impossible for Beijing to seek a strategic privilege in this country in view of the close bonds between Kathmandu and New Delhi. For Beijing, therefore, Kathmandu's neutral stance in engaging China and India tends to be regarded as acceptable, particularly in terms of the fact that Kathmandu's two giant neighbors have been perceived to be in-

¹⁵⁹ Steven P. Cohen, *India: Emerging Power* (Washington DC: The Brookings Institution, 2002), p. 232.

¹⁶⁰ K. V. Rajan, "Crisis in Nepal and the China Factor," *World Focus*, No. 301, Jan. 2005

volved in a contest with each other, if not a declared confrontation of tit-for-tat. This realistic consideration features in both Beijing's Nepal policy and its perception of the Nepal-India ties. One believes that the warming of Sino-Indian relations since the 1990s actually helped solidify Beijing's links with Kathmandu. For this reason, the Nepalese government acclaimed two significant agreements reached between China and India in 1993 and 1996, which are aimed at building mutual confidence along their lengthy border.¹⁶¹ This is also why Beijing continues to complain to New Delhi about taking Nepal as an exclusive sphere of influence and guardedly monitoring Kathmandu's engagements with Beijing. On the other hand, however, as Beijing frequently perceives, Nepal has intended to develop its nexus with China to offset the predominant pressure from India; and this indeed offers China an opportunity to expand its own influence. To some extent, Beijing seems not to mind Kathmandu's intent to play the "China card" at times, to deal with New Delhi.

China has enjoyed a pleasant relationship with Nepal for years and this connection has proven to be quite reliable despite some occasional hiccups. From the mid-1950s to the present, Beijing has offered Nepal large amounts of economic aid and assistance, the total of which remains unknown.¹⁶² The campaign for democracy in the 1990s did not interrupt this process to alter Kathmandu's attitude towards China, although Beijing had to carefully assess what happened there, abstain from becoming involved in its troubles, and discreetly keep the bilateral relations on track. Despite the budding flux of political turmoil in the country, there was a close high-profile interaction between Beijing and Kathmandu, culminating in King Birendra's China tour in 1996 and President Jiang Zemin's return visit during the same year. There was also an impressive exchange of delegations from both countries at governmental, commercial and civilian levels. Through these high-profile engagements, Beijing urged the Nepalese government to follow China's Tibet policy and, at the same time, assured Kathmandu of a

¹⁶¹ Lin Lianguang, *China's Relations with South Asian Countries: A Contemporary Study* (Beijing: Social Sciences Press, 2001), pp. 306-7.

¹⁶² Eva Cheng, "Nepal: Beijing pledges to help suppress Maoist rebels," *Green Left Weekly*, July 14, 2004, <http://www.greenleft.org.au/2004/589/32183>

non-intervention approach toward the Himalayan neighbor regardless of the prevailing volatile political climate. Obviously, for Beijing, the non-intervention approach toward Nepal is two-dimensional: for Kathmandu (in China's Tibet issue) and for Beijing (in Nepal's internal politics).

Compared with China, India's investment in its security relations with Nepal is more noticeable. Since the mid-1990s, Nepal has sought both political and military support from India to target internal anti-government rebels. The close security cooperation gathered momentum before King Gyanendra dismissed parliament and took over the sovereignty in February 2005. Both sides conducted consultations on India's supplies of arms and military hardware,¹⁶³ including helicopters. New Delhi hoped the cooperation would be substantially helpful in removing both the Nepalese Maoists and the militants operating in its northern states bordering Nepal. The cooperation was also extended to training programs specifically designed for the Nepalese army. According to Indian sources, there would be a decisive operation in 2005 to address this pressing problem and New Delhi was prepared to provide substantial assistance in order to remove the threat of the Maoists and sever their operational links with India's Maoists operating in the bordering states. In this context, Nepalese leaders even believed that the understanding, cooperation and support from New Delhi would be necessary to combat terrorism. Indian PM Manmohan Singh assured his Nepalese visitors that the Maoist rebels in Nepal were a grave issue of shared concern and India was bound to intensify security cooperation with Kathmandu. As G. P. Koirala, Nepal's political veteran and newly elected Premier, visited New Delhi in June 2006, India agreed to provide a huge package of aid and made itself Nepal's biggest bilateral donor.¹⁶⁴

¹⁶³ David G. Wienczek, "China Views the War on Terrorism in Nepal" [The Jamestown Foundation], *China Brief*, Vol. 2, Issue 11, May 23, 2002, http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=3818&tx_ttnews%5BbackPid%5D=192&no_cache=1

¹⁶⁴ "Massive Indian financial assistance for Nepal soon," *South Asian Monitor*, Aug. 11, 2006, <http://www.southasianmonitor.org/2006/aug/news/11n3.shtml>

Beijing's Observation: The Maoists, Democracy and a UN Role

With the signing of a peace agreement in November 2006 and the reshaping of Nepal's political template, the Maoists have proven themselves able to act as one of the decisive players. For Nepal's Maoists to be part of the national socio-political structure does not make it more of a problem to forge links with outside entities. There have been wild speculations over Beijing's possible role in the reshaping of Nepal's political equation, especially as far as the Maoists are concerned. But until recently, there seemed no direct links between Beijing and the Maoists despite many opportunities for both sides to approach each other. Before the Maoists declared that they would take part in democratic politics, there were few channels for them to gain access to China's establishments. It was believed that the Maoists repeatedly wooed Beijing to build an official link but were declined. Beijing's cold-shoulder to the Maoists derived from the commitment to Kathmandu and China's unwillingness to be publicly involved in the complicated political disarray inside the kingdom. In view of its amicable and stable relations with Kathmandu, obviously, it would be highly risky for Beijing to seek any kind of linkage with the Maoists, the designated anti-government militants, despite the latter's declared ideology and guidelines. But even at that time, unlike New Delhi and Washington, Beijing scarcely labeled the Maoists as terrorists.

The Maoists' entry into the political mainstream probably makes things totally different. In other words, if the ongoing trend of political reconciliation continues, Beijing is likely to deeply engage or build dialogue relations with this important player. Many noticed that, in December 2007, Beijing sent its first official delegation to meet the legendary Maoists' leader, Prachanda, and the meeting is believed to be Beijing's meaningful attempt to facilitate a national election that had twice been delayed because of the unresolved disputes between the Maoists and its contesters.¹⁶⁵ Interestingly, the leading visitor Wang Jiarui was the director of CPC Central Committee's International Department, an agency in charge of Beijing's dealings

¹⁶⁵ "China cements ties with Nepal Maoists," *The Earth Times*, Dec. 3, 2007, <http://www.indiaenews.com/pdf/84116.pdf>

with out-of office parties of other countries. This meant that Beijing had a calibrated non-diplomatic contact with the Maoists leadership who were believed to be moving toward the power center of the nation.

Ostensibly, there seemed two policy approaches and choices for Beijing to react to the deepening crisis in Nepal. One was to cultivate productive ties with the ruling elites of the country in order to secure a preferable policy toward China. The other was to stick to an ideological course and seek a workable nexus with the Maoists. But the second choice was neither realistic nor feasible. It is a well-known fact that China long abandoned the practice of exporting revolution to Afro-Asian developing nations and there is absolutely no rationale for Beijing to pick up the obsolete code of conduct again in view of its own interests and commitments. Perhaps to follow the same logic, some Chinese analysts are skeptical about the legitimacy of exporting or imposing the uniform model of democracy by several highly politically motivated agencies such as the National Endowment for Democracy to Nepal.¹⁶⁶ Thus that China has declined to cultivate ties with the Maoists seems not so much for challenging its political philosophy or populist approach as due to the need for pragmatic diplomacy.

Interestingly, unlike the official reservations, China's public perceptions of the Maoists, especially its leaders, are much more positive and liberal, some of which are improperly termed as the ultra-leftist views.¹⁶⁷ For instance, the *Global Times*, an influential newspaper in China, published a detailed report entitled "The guerrilla leaders going out of the jungle" in July 2006, which describes, in a detached but sympathetic fashion, the Maoists' ideals, beliefs, and aspirations for a much better society in Nepal as well as the popularity of the chief leaders among their people.¹⁶⁸ The interviews with the guerrilla leaders including Prachanda and Baburam Bhattarai are quite infectious. And some of the Maoists' ideas and tactics, such as to

¹⁶⁶ Zhang Song and Zhang Jiye, "US forces Nepal to accept the National Endowment for Democracy to offset China's Influence," *The Global Times*, Jan. 16, 2006.

¹⁶⁷ D. S. Rajan, "China: Signs of Ultra-Leftist Support to Maoists of India and Nepal," *South Asia Analysis Group*, Paper no. 1565, May 10, 2005.

¹⁶⁸ Liang Yan, "The guerrilla leaders going out of the jungle," *The Global Times*, July 15, 2006.

seize state power by exploiting the “three essential assets of political party, army, and revolutionary united front” and to achieve their objectives by “surrounding the city from the countryside,” are easy to invoke a sense of identity among some sections of China and bring back the waning memories of the Red China. Even some in China see the Maoists’ practice as a Nepalese version of the world-shaking Chinese revolution. These reports help create a fresh image of the Maoists in China despite not palpably working on Beijing’s official understanding. This popular perception has even continued after Maoists’ eventually assumed power in 2008.

As argued, to embrace democracy as a panacea in the current context of Nepal is still dubious, if not totally irrelevant. The vague and fluid connotation of the principles seemed, and perhaps seems, unable to provide a solid foundation for the Maoists and the other political parties to reach a consensus on major issues. Apart from the clashes around power sharing in shaping the national government, the contesting sides have impressed the public with their agenda for democratizing politics but have different recipes and policy priorities in nation building. The end of the monarchy and the creation of a republic represent a success for the Maoists’ agenda but the repeated stalemates and difficult bargains in this process do not match well at least in the immediate aftermath. The nascent parliamentary and party politics in Nepal are expected to have a more convincing performance in view of some pressing imperatives to be met for good governance. Moreover, as Beijing has feared, an imposed recipe of democracy for Nepal would open the door to India or western governments, especially the United States, to launch a campaign of intervention and coercion. If it actually happens, China would be a strategic loser. This was one of the basic reasons for Beijing to boycott the U.S.-brokered agenda aimed at forcing King Gyanendra to give up direct rule in 2006.

From the Chinese perspective, the Maoists’ joining national mainstream politics represents an epochal step in helping achieve stability and order in Nepal; but the modifications of stratagems cannot mean a sea change of its designed objectives and missions. Both the origins of their political agitation and the strong grass-root support the party has mustered still suggest the validity of its socio-political demands. To accommodate their primary

requirements under an innovative framework would be a welcome thrust for the nation. Otherwise, it will prove extremely difficult to bring the whole nation onto the path of conflict resolution and peace-building.

Almost from the very beginning of its decision to change strategies and negotiate political participation, the Maoists emphasized the importance for them of dictating the trend for national political development by controlling the Constituent Assembly. Their requests were condensed into the "Nine Point Proposal" before their high-profile negotiations with the seven-party alliance (SPA) for achieving a peace agreement.¹⁶⁹ Some of these points would prove extremely tough to be met but were almost un-negotiable for the Maoists. At least based on real-time observations, the deadlocks around weapons monitoring, proportional representation and the fate of the monarchy all made it a Herculean task to achieve a full consensus on the basic issues. In fact, for the Maoists to have acquired a preeminent place in the interim legislature upset the old power structure and decisively influenced the results of the election of the Constituent Assembly. And it, in turn, produced another significant consequence: the demise of the centuries-old monarchy and the formation of a federal democratic republic. Perhaps more challenging is the reorganization of a Nepalese National Army, and it would probably be best to follow the agenda molded by the Maoists earlier, despite some unavoidable compromises.

Even at this juncture, the confidence and trust among the major political competitors is still fragile and even lacking and this weakness will be extraordinarily relevant to the stability and order that is essential for the future nation-building. The setbacks over the preceding years underline the importance of promoting mutual trust and accommodating colliding interests. Recent developments indicate that the crux of the issue lies in the failure to reach agreement on power sharing between the triumphant Maoists and the Nepalese Congress Party as well as its political allies. Each side wants to take the upper hand as a hedge. The sincerity and trust needed for success-

¹⁶⁹ S. Chandrasekharan, "Nepal: Nine Irreducible Demands of the Maoists," *South Asia Analysis Group*, Paper No. 337, Oct. 4, 2006.

ful coalition governance is weak, and the lingering suspicions could weaken any endeavors to build peace and stability in this newborn republic.

The preceding trend indicates that the concerned political players – either political parties, the monarchy, the Maoists, or altogether – have faced difficulties in hammering out, let alone enforcing, a peace agreement. Under the circumstances, the UN has begun to be of growing importance in mediating this process. It is noted that both Beijing and New Delhi, as Nepal's giant neighbors, have felt uneasy about the prospect of UN unchecked presence in the Himalayan kingdom.¹⁷⁰ At first, some informed analysts suggested that Kathmandu was unlikely to seek a direct UN mediation or facilitation of its peace process unless and until both Beijing and New Delhi consented.¹⁷¹ Responding to the request of the Nepalese government and the Maoists in August 2006, the UN Security Council sent its Nepal mission based on Resolution 1740 to monitor the peace efforts and work toward a national election and a new constitution. The Staffan de Mistura Mission was a modest success through discussions with the different sections within Nepal and offering policy recommendations on the role of UN in the context. As generally expected, the scope of a UN role in Nepal would normally include ceasefire supervision, arms management, and possibly serving as the guarantor for a successful election.¹⁷² The methods and intensity of UN intervention could determine both the immediate and long-term effects of the peace assistance and, therefore, should not be a technical issue. As experts have suggested, the scope and nature of the UN role has to be measured and decided on the basis of broad consultations with all parties concerned.¹⁷³

¹⁷⁰ Chetan Kumar, "Conflict Prevention in South Asia," in Albrecht Schnabel and David Carment, eds., *Conflict Prevention from Rhetoric to Reality*, Vol. 1 (New York: Lexington, 2004), p. 114.

¹⁷¹ "UN explores role in Nepal peace," *BBC News*, May 8, 2006, http://news.bbc.co.uk/2/hi/south_asia/4983626.stm

¹⁷² "Major UN role in Nepal peace building on cards," *Times Foundation*, June 20, 2006, <http://www.reliefweb.int/rw/RWB.NSF/db900SID/EK0I-6QY7XT?OpenDocument>

¹⁷³ "UN Mission to Fix Role in Nepal After Assessment of Needs," *Nepal Human Rights News*, July 28, 2006.

Another fear is about the invalidity of the UN role because of malfunction. A learnt lesson is that UN initiatives and missions in other hotspot areas of the world have not always been successful, primarily because of lacking well-calibrated agendas. In fact, the conducts of the UN team in Nepal are not fully appreciated in so far as there has been criticism of its ability to effectively manage conflict and maintain peace in the country.¹⁷⁴ However, some international nongovernmental organizations, following the UN mission, have sought to find a constructive role in the peace process and nation-rebuilding in Nepal. The Carter Center, founded by former U.S. President Jimmy Carter, dispatched dozens of experts and volunteers to monitor the April election, and their service turned out to be considerably helpful.¹⁷⁵ Nevertheless, if the political scenario of Nepal needs consistent outside endeavors, one has to rule out any possibility of imposed interferences by other global players or the affiliated establishments. In addition, the role of the UN as an impartial third party should not be replaced by another country, especially not one of the several major powers believed to associate themselves with Nepal's conflicting forces. If this happened, the situation could become more complicated and less conducive to forming a sustainable peace.

China has played a distinctive role in helping to create a discreet and measured trajectory of political development in Nepal, but one that is also proactively involved in the process of conflict reduction and resolution. Although, to be frank, China's role and performance in the changing and sometimes confusing scenario has always been an issue of controversy. First of all, to secure a stable and friendly Nepal has always been one of the core elements of China's South Asia strategy and is based on some complex policy considerations which include its geopolitical value for Beijing. It is pragmatic considerations that decide China's response and approach towards the uncertain situation in Nepal. Beijing's strategy is dual and the

¹⁷⁴ Krishna Hari Pushkar, "What UNMIN Should Do to Manage Nepal Peace Process," *Nepal Monitor*, Oct. 31, 2007, http://www.nepalmonitor.com/2007/10/what_unmin_should_do_to_manage_nepal_peace_process.html

¹⁷⁵ "Nepal's former rebels take lead in early election results," *The China Post*, April 13, 2008.

two parts are believed to be closely interrelated: to restore stability and order in the country; and to secure its own strategic interests by maintaining credible bonds. Thus, it is quite expectable for Beijing to adapt its policy options to the changing scenario in the near future in order to ensure Kathmandu's obligation to preserve China's interests.

Next, the emerging trend of the Maoists' involvement and even dominance in national mainstream politics has represented a significant development that will continue to produce far-reaching effects on the nation-building process and create profound implications for regional stability and security at large. Despite the breakthrough in transforming the system of governance, the question of how to solidify the reconciliation and achieve the declared objectives still poses grave challenges given the on-the-ground realities of a system lacking reciprocal credibility and accommodations. Moreover, as a broad consensus reached by major political players within Nepal and the external powers concerned, UN mediation has become increasingly relevant to the changing scenario, whereas the scope and intensity of its role needs to be measured and be in proportion in order to ensure positive effects.

Finally, despite the fact that there has been an overlapping interest in achieving stability in Nepal among major concerned powers, including China, Beijing doubts the effects and collateral ramifications of promoting democracy and prefers its own formula of engagement to the ones offered by the United States and India. Nevertheless, in view of Nepal's geo-strategic importance to both China and India, it remains an area for major outside powers to interact and coordinate their agendas rather than antagonizing each other, which, alongside UN and other global endeavors, will lay a solid foundation for the prevention conflict and securing of permanent peace in the future.

Conclusion

So far, China's search for an acceptable role in helping to prevent, reduce, and resolve the major conflicts or crises in South Asia, both actual and potential, has been of enormous significance to the regional security at large as well as its own strategic aspirations. First of all, as a new means of perceiving, understanding and tackling global problems, an approach to conflict prevention and management has begun to be applied by China to the context of South Asia. This approach broadly coincides with the readjustment of both Beijing's South Asia policy objectives and its general diplomacy as a whole in the post-Cold War era. The security scenario of South Asia is surely among Beijing's present strategic concerns of increasing importance in terms of its multiplicity of relevance to volatile India-Pakistan relations, U.S. strategic involvement, the irreversible nuclear reality and anti-terror war. All of which are, perhaps more significantly, associated with China's security interest in varying degrees. Unlike the endeavors China has made in other parts of the globe that are conflict-trodden, its attempt to manage conflict in South Asia is of unique significance in terms of Beijing's uncertain interaction with the major regional powers as well as the United States that is also involved in different ways.

The effects of conflict prevention in South Asia have a visible bearing on China's own interests. Moving beyond the previous parochial gains by siding with one regional player against another, Beijing has begun to realize that a strategically stable South Asia, rather than a confrontational zero-sum equation, is in its long-term interests. The complexity of interests is significant. From a shifting perspective, a stable and war-free South Asia contributes to its endeavor to cultivate a strategically friendly environment and justifies its image as a peace mediator or promoter. This goal could be achieved by helping reduce the likelihood of armed confrontation, build shared confidence and broaden cooperation among major neighbors.

Apart from the palpable weight of varying interests, there are some broad-based rationales for Beijing to be vocal about its positive role in South Asia. Among them is the rising status of the region in the global se-

curity scenario in terms of India and Pakistan possessing nuclear deterrence and the central significance for the present global campaign against terror. Both issues have mandated Beijing to see, with a sense of urgency, the de-escalation of conflict and restoration of peace between the two South Asian neighbors as an essential component of its regional diplomatic thrust. Moreover, the interest in augmenting Beijing's constructive role also lies in others being confident in it as an acceptable benign global power and ensuring maritime energy supplies through the Indian Ocean and the Malacca Strait. The designed option of reconciling conflict in the subcontinent in a balanced way has, no doubt, helped Beijing to achieve these objectives.

China's growing interest and commitments has made the country seek to play a constructive role in South Asian conflict management and enhance its profile of credibility in helping tackle crisis or conflict. As a convincing manifestation, China's balanced and reconciliatory stance in the Indo-Pakistani imbroglio has proven to be a reasonable choice, which was coherently reflected in Beijing's response to the 1999 quasi-war conflict in Kargil and the 2002 escalating armed standoff. Measured involvement in different phases of the control and resolution of the conflicts in the region offers an unprecedented experience for China to adopt the approach of conflict management in South Asian context. As another example indicates, rethinking and readjusting its expected role in the transforming Himalayan country of Nepal has urged Beijing to take a flexible approach of advocating national reconciliation among rivaling political sections, especially between the conventional political mainstream and the ideologically driven Maoist rebels. By alternating its diplomatic options in helping bring the situation back to normalcy in Nepal, Beijing has attempted to serve as a credible and moderate facilitator which is believed to be different from and more sophisticated than the efforts made by other outside players, despite China's role being controversial. This approach of moderate and low-key intervention undoubtedly secures more latitude for Beijing in influencing the trajectory of change in Nepal in the future.

The nature of China's fresh posture in the subcontinent since the 1990s is to undertake a symmetrical diplomacy towards New Delhi and Islamabad, that is, maintaining its time-tested partnership with Pakistan and, mean-

while, forging a reliable bilateral relationship with India. Logically, a strategically stable South Asia and the current New Delhi–Islamabad bonhomie are obviously in Beijing’s calculated interest. As observed, however, while China tends to see India as a potential global power engaging it in various frameworks, several identifiable strategic constraints have continued to affect Beijing’s policy options towards New Delhi. Among them are the suspended territorial disputes, enduring suspicions about each other’s intents, unfolding geo-strategic competition, and the obsessed zero-sum effect of their respective strategic interaction with the United States. In Beijing’s judgment, all of this will surely continue to work as formidable obstacles to enhancing mutual trust between the two Asian giants and bring about strategic uncertainties. For instance, India’s guarded approach of staving off China’s projection of power; especially the allergy to Beijing’s need to sustain strategic nexus with Pakistan and nurture partnerships with other states in the region remains a daunting problem.

Uncertain about political rewards for its impartial design in the subcontinent, therefore, Beijing most likely continues to regard its ties with Islamabad as the bedrock to ensure its leverage in the region. The seemingly contradictory policy behaviors in South Asia probably reflect the lack of strategic reassurance. But even so, speculation that the enduring and aggravating tensions in South Asia would invariably fit into Beijing’s needs and be readily exploited has to be challenged. Beijing’s options are not simply aimed at dealing with India or Pakistan but, more significantly, to attend to its broader strategy of acting as a rising responsible global power.

China’s probe into actively influencing the reduction of crisis and conflict in South Asia has reached moderate fruition. But its ability to succeed in the years ahead will be conditioned by the outstanding curbing factors referred to above. Certainly, Beijing’s designed role in achieving stability and peace in South Asia by engaging India and Pakistan can only be fully performed if it is accepted as a qualified mediator of conflict in the region. A successful diplomacy in meeting the requirements remains yet to be seen. Nevertheless, Beijing will continue its inspiring practice in regulating and, if conditions allow, helping to resolve the major interstate and civil conflicts

in South Asia. The policy response and behavior in this regard will greatly enrich China's experience in managing hot-spot conflicts at different levels.

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